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LEGISLATIVE HISTORY

Public Law 49--78th Congress

Chapter 93--1st Session

H. R. 1860

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DIGEST OF PUBLIC LAWS 49

WAR OVERTIME PAY ACT OF 1943. Provides, in general, for time-and-a-half overtime pay (based on 360 days a year), from May 1, 1943, through June 30, 1945, or such earlier date as Congress may designate, on that part of a Federal employee's salary not exceeding \$2,900. Permits compensatory time off, instead of overtime pay, for work exceeding 48 hours a week. Provides for a 300 minimum increase and for a 15% increase for intermittent, irregular, etc., employees. Limits overtime pay to 15% of basic pay. Authorizes the Civil Service Commission to remove inequities between classified rates and rates fixed by wage boards, etc. Directs the Budget Bureau to determine the number of employees required by Government agencies. Eliminates the \$5,000 overtime-pay ceiling.

Amendments:

Public Law 448 - 78th Congress . Amends section 3(1) which applies to customs and excise employees only. The history on this law is not included in this compilation, nor does it apply to Agricultural workers.

INDEX AND SUMMARY OF HISTORY OF H. R. 1360

(Page numbers refer to debate in bound volumes of Congressional Record. Vol. 89, Pts. 2 and 3).

- February 4, 1943 S. 635 introduced by Senator Nease and referred to the Committee on Civil Service. (Companion Bill. Later Substituted for H. R. 1360). Print of bill as introduced.
- February 16, 1943 H. R. 1360 introduced by Mr. Randolph and referred to the Committee on Civil Service. Print of the bill as introduced.
- February 19, 1943 H. R. 1913 introduced by Mrs. Rogers and referred to the Committee on Civil Service. (Similar bill. Died in Committee.)
- February 24, 1943 Hearings: House, H. R. 1360.
- February 25, 1943 Hearings: Senate, S. 635.
- March 5, 1943 S. 836 introduced by Senator Nease and referred to the Committee on Civil Service. (Similar bill. Died in Committee).
- March 26, 1943 S. 635 reported by Senate Committee on Civil Service with amendment. Senate Report 142. Print of the bill as reported.
- April 1, 1943 H. R. 1360 reported by House Committee on Civil Service with amendments. House Report 339. Print of the bill as reported.
- April 2, 1943 Senators Overton and Thomas amendments to S. 635.
- April 5, 1943 H. R. 1360 debated and passed House as reported. (pp. 2611-2623).
- April 6, 1943 Print of the bill, H. R. 1360, as reported to the House printed and placed on the calendar of the House.
- April 8, 1943 Senate discussed S. 635 and agreed to motion to substitute H. R. 1360 with language of S. 635. (pp. 3123-25). Senate passed H. R. 1360. (pp. 3131-3131).
- April 9, 1943 H. R. 1360 debated and passed Senate with amendments. (pp. 3174-75).
- April 10, 1943 House Conferees appointed. Print of the bill with the amendment of the Senate. (p. 3227).

April 12, 1943	Senate Conference Committee. (pp. 3264-65).
April 15, 1943	House received Conference Report. House Record 266.
April 19, 1943	Senate received and agreed to Conference Report. (pp. 3559-60).
April 21, 1943	House rejected Conference Report. (pp. 3652-53).
May 3, 1943	House Document 134. Supplemental estimates of appropriations to cover cost of additional compensation granted to certain employees of the Federal Government.
May 5, 1943	House agreed to Conference Report. (pp. 3767-4003).
May 7, 1943	Approved. Public Law 42.



S. 635

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 1943

Mr. MEAD introduced the following bill; which was read twice and referred to the Committee on Civil Service

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-
11 cers and employees in the field service of the Post Office

1 Department; (e) employees whose wages are fixed on a
2 daily or hourly basis and adjusted from time to time in
3 accordance with prevailing rates by wage boards or similar
4 administrative authority serving the same purpose; and (f)
5 employees outside the continental limits of the United States,
6 including Alaska, who are paid in accordance with local
7 prevailing native wage rates for the area in which employed.

8 SEC. 2. Officers and employees to whom this Act ap-
9 plies shall be paid overtime compensation for work in excess
10 of forty hours in any administrative workweek at a rate
11 of one and one-half times their basic rates of compensation:
12 *Provided*, That no overtime compensation shall be paid on
13 any portion of an officer's or employee's basic rate of com-
14 pensation in excess of \$2,900 per annum: *And provided*
15 *further*, That in computing the overtime compensation of
16 per annum officers and employees, the base pay for one day
17 shall be considered to be one two-hundred-and-sixtieth of the
18 respective per annum salaries, and the base pay for one hour
19 shall be considered to be one-eighth of the base pay so com-
20 puted for one day.

21 SEC. 3. Officers and employees to whom this Act ap-
22 plies and whose compensation is based upon other than a
23 time-period basis, or whose hours of duty are intermittent,
24 irregular, or less than full time, and officers and employees
25 in or under the legislative and judicial branches to whom this

1 Act applies, shall be paid additional compensation, in lieu
2 of the overtime compensation authorized under section 2 of
3 this Act, amounting to 15 per centum of so much of their
4 earned basic compensation as is not in excess of a rate of
5 \$2,900 per annum.

6 SEC. 4. The Act approved February 10, 1942 (Public
7 Law Numbered 450, Seventy-seventh Congress), and sec-
8 tion 4 of the Act approved May 2, 1941 (Public Law
9 Numbered 46, Seventy-seventh Congress), as amended, are
10 hereby repealed.

11 SEC. 5. The provisions of the Saturday half-holiday
12 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.
13 26 (a)), are hereby suspended for the period during which
14 this Act is in effect.

15 SEC. 6. The provisions of this Act shall not operate to
16 prevent payment for overtime services in accordance with
17 any of the following statutes: Act of February 13, 1911,
18 as amended (U. S. C., title 19, secs. 261 and 267); Act
19 of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.
20 394); Act of June 17, 1930, as amended (U. S. C., title
21 19, secs. 1450, 1451, and 1452); Act of March 2, 1931
22 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b);
23 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
24 title 46, sec. 382b); Act of March 23, 1941 (Public Law
25 Numbered 20, Seventy-seventh Congress): *Provided*, That

1 the overtime services covered by such payment shall not also
2 form a basis for overtime compensation under this Act.

3 SEC. 7. Within thirty days after the effective date of this
4 Act, and every ninety days thereafter, the heads of depart-
5 ments and agencies in the executive branch, whose employees
6 are affected by the provisions of this Act, shall present to
7 the Director of the Bureau of the Budget such information
8 as he shall require for the purpose of justifying the number
9 of employees in their respective departments or agencies.
10 If any such department or agency fails to present such in-
11 formation or if, in the opinion of the Director, the informa-
12 tion so presented fails to disclose that the number of such
13 employees in any department or agency is necessary to the
14 proper and efficient exercise of its functions, the personnel
15 of such department or agency shall be reduced, upon the
16 order of the Director, by such number as the Director finds
17 to be in excess of the minimum requirements of such depart-
18 ment or agency. Upon the expiration of thirty days from the
19 date of issuance of such order by the Director, the provisions
20 of sections 2 and 3 of this Act shall cease to be applicable
21 to the employees of the agency affected by such order, unless
22 and until the head thereof has certified to the Director that
23 such order has been complied with. The Civil Service Com-
24 mission is authorized to transfer to other departments and
25 agencies any employees released pursuant to this section,

1 whose services are needed in and can be effectively utilized
2 by such other departments or agencies.

3 SEC. 8. The Civil Service Commission is authorized and
4 directed to take such action and to promulgate such rules
5 and regulations as may be necessary and proper for the
6 purpose of coordinating and supervising the administration
7 of the provisions of this Act, and for the purpose of adjust-
8 ing present methods of converting annual rates of pay into
9 daily and hourly rates for all purposes so as to conform with
10 the method prescribed by this Act.

11 SEC. 9. This Act shall take effect on May 1, 1943, and
12 shall terminate on June 30, 1945, or such earlier date as
13 the Congress by concurrent resolution may prescribe.

14 SEC. 10. This Act may be cited as the "War Overtime
15 Pay Act of 1943".

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

By Mr. Mead

FEBRUARY 4, 1943

Read twice and referred to the Committee on
Civil Service

78TH CONGRESS
1ST SESSION

H. R. 1860

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 1943

Mr. RANDOLPH (by request) introduced the following bill; which was referred to the Committee on the Civil Service

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-
11 cers and employees in the field service of the Post Office

78TH CONGRESS
1ST SESSION

H. R. 1860

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 1943

Mr. RANDOLPH (by request) introduced the following bill; which was referred to the Committee on the Civil Service

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-
11 cers and employees in the field service of the Post Office

1 Department; (c) employees whose wages are fixed on a
2 daily or hourly basis and adjusted from time to time in
3 accordance with prevailing rates by wage boards or similar
4 administrative authority serving the same purpose; and (f)
5 employees outside the continental limits of the United States,
6 including Alaska, who are paid in accordance with local
7 prevailing native wage rates for the area in which employed.

8 SEC. 2. Officers and employees to whom this Act ap-
9 plies shall be paid overtime compensation for work in excess
10 of forty hours in any administrative workweek at a rate
11 of one and one-half times their basic rates of compensation:
12 *Provided*, That no overtime compensation shall be paid on
13 any portion of an officer's or employee's basic rate of com-
14 pensation in excess of \$2,900 per annum: *And provided*
15 *further*, That in computing the overtime compensation of
16 per annum officers and employees, the base pay for one day
17 shall be considered to be one two-hundred-and-sixtieth of the
18 respective per annum salaries, and the base pay for one hour
19 shall be considered to be one-eighth of the base pay so com-
20 puted for one day.

21 SEC. 3. Officers and employees to whom this Act ap-
22 plies and whose compensation is based upon other than a
23 time-period basis, or whose hours of duty are intermittent,
24 irregular, or less than full time, and officers and employees
25 in or under the legislative and judicial branches to whom this

1 Act applies, shall be paid additional compensation, in lieu
2 of the overtime compensation authorized under section 2 of
3 this Act, amounting to 15 per centum of so much of their
4 earned basic compensation as is not in excess of a rate of
5 \$2,900 per annum.

6 SEC. 4. The Act approved February 10, 1942 (Public
7 Law Numbered 450, Seventy-seventh Congress), and sec-
8 tion 4 of the Act approved May 2, 1941 (Public Law
9 Numbered 46, Seventy-seventh Congress), as amended, are
10 hereby repealed.

11 SEC. 5. The provisions of the Saturday half-holiday
12 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.
13 26 (a)), are hereby suspended for the period during which
14 this Act is in effect.

15 SEC. 6. The provisions of this Act shall not operate to
16 prevent payment for overtime services in accordance with
17 any of the following statutes: Act of February 13, 1911,
18 as amended (U. S. C., title 19, secs. 261 and 267) ; Act
19 of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.
20 394) ; Act of June 17, 1930, as amended (U. S. C., title
21 19, secs. 1450, 1451, and 1452) ; Act of March 2, 1931
22 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b) ;
23 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
24 title 46, sec. 382b) ; Act of March 23, 1941 (Public Law
25 Numbered 20, Seventy-seventh Congress) : *Provided*, That

1 the overtime services covered by such payment shall not also
2 form a basis for overtime compensation under this Act.

3 SEC. 7. Within thirty days after the effective date of this
4 Act, and every ninety days thereafter, the heads of depart-
5 ments and agencies in the executive branch, whose employees
6 are affected by the provisions of this Act, shall present to
7 the Director of the Bureau of the Budget such information
8 as he shall require for the purpose of justifying the number
9 of employees in their respective departments or agencies.
10 If any such department or agency fails to present such in-
11 formation or if, in the opinion of the Director, the informa-
12 tion so presented fails to disclose that the number of such
13 employees in any department or agency is necessary to the
14 proper and efficient exercise of its functions, the personnel
15 of such department or agency shall be reduced, upon the
16 order of the Director, by such number as the Director finds
17 to be in excess of the minimum requirements of such depart-
18 ment or agency. Upon the expiration of thirty days from the
19 date of issuance of such order by the Director, the provisions
20 of sections 2 and 3 of this Act shall cease to be applicable
21 to the employees of the agency affected by such order, unless
22 and until the head thereof has certified to the Director that
23 such order has been complied with. The Civil Service Com-
24 mission is authorized to transfer to other departments and
25 agencies any employees released pursuant to this section,

1 whose services are needed in and can be effectively utilized
2 by such other departments or agencies.

3 SEC. 8. The Civil Service Commission is authorized and
4 directed to take such action and to promulgate such rules
5 and regulations as may be necessary and proper for the
6 purpose of coordinating and supervising the administration
7 of the provisions of this Act, and for the purpose of adjust-
8 ing present methods of converting annual rates of pay into
9 daily and hourly rates for all purposes so as to conform with
10 the method prescribed by this Act.

11 SEC. 9. This Act shall take effect on May 1, 1943, and
12 shall terminate on June 30, 1945, or such earlier date as
13 the Congress by concurrent resolution may prescribe.

14 SEC. 10. This Act may be cited as the "War Overtime
15 Pay Act of 1943".

78TH CONGRESS
1ST SESSION

H. R. 1860

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

By Mr. RANDOLPH

FEBRUARY 16, 1943

Referred to the Committee on the Civil Service



78TH CONGRESS
1ST SESSION

H. R. 1913

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 19, 1943

Mrs. ROGERS of Massachusetts (by request) introduced the following bill; which
was referred to the Committee on the Civil Service

A BILL

To provide for the payment of overtime compensation to
Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-
11 cers and employees in the field service of the Post Office

1 Department; (e) employees whose wages are fixed on a
2 daily or hourly basis and adjusted from time to time in
3 accordance with prevailing rates by wage boards or similar
4 administrative authority serving the same purpose; and (f)
5 employees outside the continental limits of the United States,
6 including Alaska, who are paid in accordance with local
7 prevailing native wage rates for the area in which employed.

8 SEC. 2. Officers and employees to whom this Act ap-
9 plies shall be paid overtime compensation for work in excess
10 of forty hours in any administrative workweek at a rate
11 of one and one-half times their basic rates of compensation:
12 *Provided*, That no overtime compensation shall be paid on
13 any portion of an officer's or employee's basic rate of com-
14 pensation in excess of \$2,900 per annum: *And provided*
15 *further*, That in computing the overtime compensation of
16 per annum officers and employees, the base pay for one day
17 shall be considered to be one two-hundred-and-sixtieth of the
18 respective per annum salaries, and the base pay for one hour
19 shall be considered to be one-eighth of the base pay so com-
20 puted for one day.

21 SEC. 3. Officers and employees to whom this Act ap-
22 plies and whose compensation is based upon other than a
23 time-period basis, or whose hours of duty are intermittent,
24 irregular, or less than full time, storekeepers in the Bureau
25 of Customs whose administrative workweek is forty hours

1 a week and when working forty hours or less in any admin-
2 istrative workweek, or those whose administrative work-
3 week is forty hours or less a week, and officers and em-
4 ployees in or under the legislative and judicial branches to
5 whom this Act applies, shall be paid additional compensa-
6 tion, in lieu of the overtime compensation authorized under
7 section 2 of this Act amounting to 15 per centum of so much
8 of their earned basic compensation as is not in excess of a
9 rate of \$2,900 per annum.

10 SEC. 4. The Act approved February 10, 1942 (Public
11 Law Numbered 450, Seventy-seventh Congress), and sec-
12 tion 4 of the Act approved May 2, 1941 (Public Law
13 Numbered 46, Seventy-seventh Congress), as amended, are
14 hereby repealed.

15 SEC. 5. The provisions of the Saturday half-holiday
16 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.
17 26 (a)), are hereby suspended for the period during which
18 this Act is in effect.

19 SEC. 6. The provisions of this Act shall not operate to
20 prevent payment for overtime services in accordance with
21 any of the following statutes: Act of February 13, 1911,
22 as amended (U. S. C., title 19, secs. 261 and 267); Act
23 of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.
24 394); Act of June 17, 1930, as amended (U. S. C., title
25 19, secs. 1450, 1451, and 1452); Act of March 2, 1931

1 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b) ;
2 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
3 title 46, sec. 382b) ; Act of March 23, 1941 (Public Law
4 Numbered 20, Seventy-seventh Congress) : *Provided*, That
5 the overtime services covered by such payment shall not also
6 form a basis for overtime compensation under this Act.

7 SEC. 7. Within thirty days after the effective date of this
8 Act, and every ninety days thereafter, the heads of depart-
9 ments and agencies in the executive branch, whose employees
10 are affected by the provisions of this Act, shall present to
11 the Director of the Bureau of the Budget such information
12 as he shall require for the purpose of justifying the number
13 of employees in their respective departments or agencies.
14 If any such department or agency fails to present such in-
15 formation or if, in the opinion of the Director, the informa-
16 tion so presented fails to disclose that the number of such
17 employees in any department or agency is necessary to the
18 proper and efficient exercise of its functions, the personnel
19 of such department or agency shall be reduced, upon the
20 order of the Director, by such number as the Director finds
21 to be in excess of the minimum requirements of such depart-
22 ment or agency. Upon the expiration of thirty days from the
23 date of issuance of such order by the Director, the provisions
24 of sections 2 and 3 of this Act shall cease to be applicable
25 to the employees of the agency affected by such order, unless

1 and until the head thereof has certified to the Director that
2 such order has been complied with. The Civil Service Com-
3 mission is authorized to transfer to other departments and
4 agencies any employees released pursuant to this section,
5 whose services are needed in and can be effectively utilized
6 by such other departments or agencies.

7 SEC. 8. The Civil Service Commission is authorized and
8 directed to take such action and to promulgate such rules
9 and regulations as may be necessary and proper for the
10 purpose of coordinating and supervising the administration
11 of the provisions of this Act, and for the purpose of adjust-
12 ing present methods of converting annual rates of pay into
13 daily and hourly rates for all purposes so as to conform with
14 the method prescribed by this Act.

15 SEC. 9. This Act shall take effect on May 1, 1943, and
16 shall terminate on June 30, 1945, or such earlier date as
17 the Congress by concurrent resolution may prescribe.

18 SEC. 10. This Act may be cited as the "War Overtime
19 Pay Act of 1943".

78TH CONGRESS
1ST Session

H. R. 1913

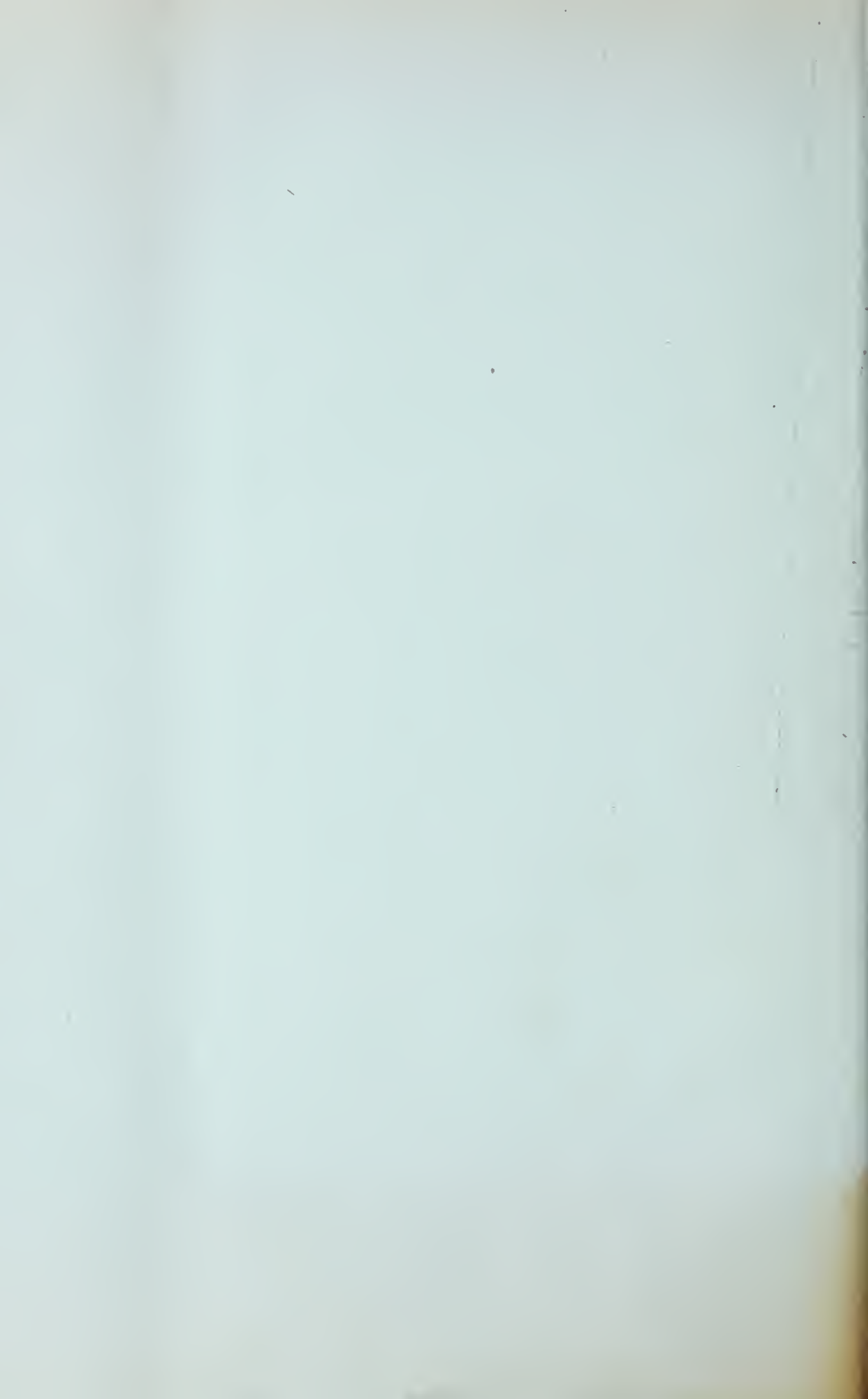
A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

By Mrs. ROGERS of Massachusetts

FEBRUARY 19, 1943

Referred to the Committee on the Civil Service



TEMPORARY ADDITIONAL COMPENSATION FOR
CIVILIAN EMPLOYEES FOR THE
DURATION OF THE WAR

LEGISLATIVE REFORM SECTION
Office of Budget and Finance

HEARING

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON THE CIVIL SERVICE
HOUSE OF REPRESENTATIVES

SEVENTY-EIGHTH CONGRESS

FIRST SESSION

ON

H. R. 1860

A BILL TO PROVIDE FOR THE PAYMENT OF OVERTIME
COMPENSATION TO GOVERNMENT EMPLOYEES,
AND FOR OTHER PURPOSES

FEBRUARY 24, 25, 26, 1943

Printed for the use of the Committee on the Civil Service



UNITED STATES
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JENNINGS RANDOLPH, *Chairman*

JOHN L. McMILLAN

HENRY W. JACKSON

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EDWARD H. REES

CLARENCE E. KILBURN

RICHARD P. GALE

TEMPORARY ADDITIONAL COMPENSATION FOR CIVILIAN EMPLOYEES FOR THE DURATION OF THE WAR

WEDNESDAY, FEBRUARY 24, 1943

HOUSE OF REPRESENTATIVES.
SUBCOMMITTEE OF THE COMMITTEE
ON THE CIVIL SERVICE
Washington, D. C.

The subcommittee met at 10 a. m., Hon. Jennings Randolph (chairman) presiding.

Other members of the subcommittee present: Mr. McMillan, Mr. Jackson, Mr. Manasco, Mr. Rees, Mr. Kilburn, and Mr. Gale.

Mr. RANDOLPH. The committee will come to order.

We have before us at this time consideration of H. R. 1860 which is as follows:

[H. R. 1860, 78th Cong. 1st sess.]

A BILL To provide for the payment of overtime compensation to Government employees, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall apply to all civilian officers and employees in or under the United States Government, including Government-owned or controlled corporations, and to those employees of the District of Columbia municipal government who occupy positions subject to the Classification Act of 1923, as amended, except that this Act shall not apply to (a) elected officials; (b) judges; (c) heads of departments, independent establishments, and agencies; (d) officers and employees in the field service of the Post Office Department; (e) employees whose wages are fixed on a daily or hourly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose; and (f) employees outside the continental limits of the United States, including Alaska, who are paid in accordance with local prevailing native wage rates for the area in which employed.

SEC. 2. Officers and employees to whom this Act applies shall be paid overtime compensation for work in excess of forty hours in any administrative workweek at a rate of one and one-half times their basic rates of compensation: *Provided*, That no overtime compensation shall be paid on any portion of an officer's or employee's basic rate of compensation in excess of \$2,900 per annum: *And provided further*, That in computing the overtime compensation of per annum officers and employees, the base pay for one day shall be considered to be one two-hundred-and-sixtieth of the respective per annum salaries, and the base pay for one hour shall be considered to be one-eighth of the base pay so computed for one day.

SEC. 3. Officers and employees to whom this Act applies and whose compensation is based upon other than a time-period basis, or whose hours of duty are intermittent, irregular, or less than full time, and officers and employees in or under the legislative and judicial branches to whom this Act applies, shall be paid additional compensation, in lieu of the overtime compensation authorized under section 2 of this Act, amounting to 15 per centum of so much of their earned basic compensation as is not in excess of a rate of \$2,900 per annum.

SEC. 4. The Act approved February 10, 1942 (Public Law Numbered 450, Seventy-seventh Congress), and section 4 of the Act approved May 2, 1941 (Public Law Numbered 46, Seventy-seventh Congress), as amended, are hereby repealed.

SEC. 5. The provisions of the Saturday half-holiday law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec. 26 (a)), are hereby suspended for the period during which this Act is in effect.

SEC. 6. The provisions of this Act shall not operate to prevent payment for overtime services in accordance with any of the following statutes: Act of February 13, 1911, as amended (U. S. C., title 19, secs. 261 and 267); Act of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec. 394); Act of June 17, 1930, as amended (U. S. C., title 19, secs. 1450, 1451, and 1452); Act of March 2, 1931 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b); Act of May 27, 1936, as amended (52 Stat. 345; U. S. C., title 46, sec. 382b); Act of March 23, 1941 (Public Law Numbered 20, Seventy-seventh Congress): *Provided*, That the overtime services covered by such payment shall not also form a basis for overtime compensation under this Act.

SEC. 7. Within thirty days after the effective date of this Act, and every ninety days thereafter, the heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this Act, shall present to the Director of the Bureau of the Budget such information as he shall require for the purpose of justifying the number of employees in their respective departments or agencies. If any such department or agency fails to present such information or if, in the opinion of the Director, the information so presented fails to disclose that the number of such employees in any department or agency is necessary to the proper and efficient exercise of its functions, the personnel of such department or agency shall be reduced, upon the order of the Director, by such number as the Director finds to be in excess of the minimum requirements of such department or agency. Upon the expiration of thirty days from the date of issuance of such order by the Director, the provisions of section 2 and 3 of this Act shall cease to be applicable to the employees of the agency affected by such order, unless and until the head thereof has certified to the Director that such order has been complied with. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section, whose services are needed in and can be effectively utilized by such other departments or agencies.

SEC. 8. The Civil Service Commission is authorized and directed to take such action and to promulgate such rules and regulations as may be necessary and proper for the purpose of coordinating and supervising the administration of the provisions of this Act, and for the purpose of adjusting present methods of converting annual rates of pay into daily and hourly rates for all purposes so as to conform with the method prescribed by this Act.

SEC. 9. This Act shall take effect on May 1, 1943, and shall terminate on June 30, 1945, or such earlier date as the Congress by concurrent resolution may prescribe.

SEC. 10. This Act may be cited as the "War Overtime Pay Act of 1943".

Mr. RANDOLPH. During the week of June 2, 1942, at the second session of the Seventy-seventh Congress, the Civil Service Committee of the House held hearings on temporary additional compensation for civilian employees for the duration of the war. By later action of the House and Senate, so-called temporary legislation, which runs its course on April 30 of this year, was enacted into law.

At the time our House Civil Service Committee held the hearings, the chairman, the distinguished gentleman from Georgia, Mr. Ramspeck, made an opening statement. At that time he said that it was our custom, as a committee, to hear some representatives of the Federal Government, and then from the representatives of the employee organizations.

And, he further said that it would be the policy to hear one representative from the national organizations. He said that for the very reason that it was apparent then, and it is doubly apparent now, that the heavy schedule for every Member of Congress makes it necessary to confine, as nearly as possible, ourselves to essential facts and not to duplication the testimony before this committee, which is on a very important subject of compensation for our Federal Government workers.

This subcommittee, appointed by our chairman, will follow the rules which were adopted and set forth by Mr. Ramspeck at the hearings last year. However, we want it clearly understood that we will make a thorough investigation of the entire subject, and that we are happy to have the cooperation of the Government, and of the Federal employee organizations, and those individuals from locals who may desire to file statements, in order that the record may be complete.

We begin this morning by hearing the representatives of the Federal Government, and call first the Honorable William H. McReynolds from the Executive Office of the President of the United States.

STATEMENT OF HON. WILLIAM H. McREYNOLDS, AN ADMINISTRATIVE ASSISTANT TO THE PRESIDENT

Mr. McREYNOLDS. Mr. Chairman, and gentlemen of the Committee, I want to appear very briefly, merely to state a general principle that we have in mind in suggesting this kind of legislation.

Mr. Flemming, representing the Civil Service, and Mr. Young, representing the Budget, will have more detailed testimony to present to you, with the idea of undertaking to cure some of the faults that have come up, which are minor ones, in connection with the existing legislation and its application.

The purpose, the general policy, the principle that I have had in mind in recommending to the Congress certain pay bases, has been to try to create a uniform situation with respect to all Federal employees in the same general groups, so far as their pay was concerned.

There has been a great deal of discrimination; different groups treated differently. Particularly has it come to our attention, and especially from the employees themselves, that during the present war effort large numbers, the majority of Federal employees, were paid for overtime on the same basis that industrial groups were paid overtime. Forty percent of Government employees were not paid for overtime and were given no extra consideration on account of living costs.

Consequently, our feeling has been that if we could make one rule that would be applicable to all Government employees, with respect to their extra compensation, we would more nearly approximate fairness and equity as between the employees, and therefore eliminate the feeling that they were unfairly treated; the same rule applying to people in wage groups, contract bases, and those that are on annual salaries.

Now, we recognize that there are certain groups in this annual salary field, people who are paid according to annual salary fixed by law, where their employment does not lend itself to payment on the basis of an hourly rate.

It therefore becomes necessary to make some other adjustment so that they could be given some consideration on account of the increased costs. And we are in entire agreement with the language in the suggested bill, making that 15 percent instead of 10.

Mr. REES. What suggested bill?

Mr. McREYNOLDS. The bill that is before the committee.

Mr. REES. The one known as the Mead bill?

Mr. McREYNOLDS. Yes, sir.

Mr. REES. You say you are entirely in favor of it?

Mr. McREYNOLDS. Entirely in favor of it as a basis. There are certain exclusions there that I do not think would be important for me to discuss at all. That is a matter for congressional committees to decide; for instance, as to where postal employees would be taken care of. But, generally speaking, that is the principle laid down in that bill, that is, the time and one-half on the same basis that your industrial employees are paid.

Mr. KILBURN. Is this the Mead bill?

Mr. McREYNOLDS. Yes.

Mr. RANDOLPH. I might say at this point in the record that your subcommittee chairman desires to call attention to the fact that he had introduced the Mead bill, so that the record may show I did present this bill to Congress, H. R. 1860, which is exactly the Mead bill, and I placed the time of its introduction by request, showing that it was not a bill of which I necessarily was in agreement or disagreement, but that it only served as a vehicle by which these hearings might proceed.

Mr. McREYNOLDS. Well, on general principle, I am in entire agreement with the bill as presented, bill 1860, because it does two things that I think are necessary, and are the most effective ways of taking care of this unusual cost of living during the higher prices.

It provides a means for the employees to earn an additional approximately 30 percent by working 20 percent more time, and it provides an additional 15 percent pay for the employee who is paid on a basis which makes it impossible for him to be paid at the overtime rate; in other words, he is given a 15-percent bonus, which is the equivalent of what is known as the Little Steel formula under the Wage Board. I think it is sound legislation. I merely wanted to express that opinion after having given it a great deal of study. There has been no change in the attitude of the administration with respect to what was desirable in legislation of this kind since it was first presented by this session of Congress.

Mr. RANDOLPH. Is that all, Mr. McReynolds.

Mr. McREYNOLDS. That is all.

Mr. RANDOLPH. Now Mr. Rees, you may question the witness.

Mr. REES. Then, as I understand it, you are here representing the White House to say that you are putting the stamp of approval on the Mead bill?

Mr. McREYNOLDS. Well, I am here in my capacity as liaison officer for the President, in charge of personnel management, and in that capacity problems of this kind come up for my consideration.

Mr. REES. Well, you have examined this bill thoroughly.

Mr. McREYNOLDS. Oh, yes. The principles that are laid down had initially been gone over before they were first sent to Congress in the last session. I discussed it with several of my colleagues.

Mr. REES. Now, you say, as I understand it, that this measure, provides if a worker will work 20 percent more time, he will get 30 percent more pay.

Mr. McREYNOLDS. Approximately.

Mr. REES. What you mean to say is, if he worked beyond the 40 hours, or 39 hours, whatever it is, he would get time and a half?

Mr. McREYNOLDS. He will be paid time and a half for all time in excess of 40 hours a week.

Mr. REES. Of course, you do not maintain that theory on the ground the few extra hours that are worked are worth more than the

prior hours. It is a matter of adhering to the 40-hour week principle, isn't it?

Mr. McREYNOLDS. I do not maintain any theory with respect to that. It does not seem to me to become necessary to go into the question. The penalty rates for additional hours were adequate reason, in my opinion, for establishing that principle originally. The fact is that industry, under the present law, follows that practice; also the industrial groups that are working directly for the Government follow that practice under the present law, and as a matter of ordinary equity to the other groups, the 40 percent of the Government employees who are not benefited in that way, it seems only fair to me that they should be given the same opportunity, and there is need for the additional time. There is no question about that.

Mr. REES. No; I do not think there is any question about that. However, I do not see why any man, anywhere, should not be only too willing to work at least 48 hours a week during this present stress of affairs.

Mr. McREYNOLDS. Whether it was paid for or not? I agree with that, too. But I do not agree that you can expect to maintain more hours among your workers if you pay 60 percent of them on the industrial basis of time and a half in excess of a 40-hour week and do not pay the others anything.

Mr. REES. No.

Mr. McREYNOLDS. I think you have got to be fair as between your employees.

Mr. REES. We went on a 40-hour basis industrially, as I understand it, so that we could provide work for more people. Of course, that matter has been gone over a number of times. You would not want the Government, as I understand you, then to just put everybody on a 48-hour week and pay them whatever, as you said at the beginning, their services are worth. I agree that they have not been paid as much as they should.

Mr. McREYNOLDS. Well, of course, that is true.

Mr. REES. I just want your reaction to that. We have discussed it so much.

Mr. McREYNOLDS. Well, I think that is quite beside the question.

Mr. REES. How is that?

Mr. McREYNOLDS. I think that is quite by the question that you have up for consideration.

Mr. REES. In what way?

Mr. McREYNOLDS. What I might personally believe with respect to the propriety of maintaining your 40-hour schedule, with time and a half beyond that, or extending the workweek without additional pay, or extending it on time, straight time, is quite by the question. It seems to me to be totally unimportant for me to express a personal opinion, because the principle has been laid down. It is now current law. It is accepted by industry.

I think you would find quite as much opposition from the industrial groups, the management groups, as you would from the labor groups, if you undertook to break it down. Of course, I could discuss that at quite some length as a matter of my own personal opinion, but I do not think it would be appropriate for me to so discuss it, and I do not see that it would do any good for me to discuss it, because I do not make the policy.

Mr. REES. Perhaps not, but I just thought, in view of your coming here, representing the executive department, to discuss the question of hours of work and pay, that you might be willing to give your reaction to that, because I happen to get a lot of correspondence on that particular subject. Now, if you would like to express an opinion on it, I would like to have it.

I know you are in favor of seeing that these people should get paid for this service. However, I think everybody, regardless where he is, in Government or anywhere else, should work 48 hours, and I just wondered whether you thought that sort of thing was feasible, or whether you thought it was the right thing to do, but evidently, you say you do not want to discuss it.

Mr. McREYNOLDS. I think the right thing to do at the present moment is to adjust, or authorize the adjustment, or pay for the smaller groups of Government employees on approximately the same basis as it is on the larger groups that are already paid on the industrial basis. That is my recommendation.

Mr. REES. Yes; I think we understand that. I do not think there is anyone who does not want to see these Federal Government workers get paid for their services, whatever they are worth; but I just wanted your reaction.

Mr. McREYNOLDS. Well, I can, of course, understand quite well what reaction you would get from your standpoint, because I was born and raised there, and I know pretty much how these groups would normally feel.

Mr. REES. I was trying to find out how you felt. All right.

Mr. RANDOLPH. Mr. McMillan?

Mr. McMILLAN. Mr. McReynolds, I believe you will agree with the committee that the living cost of every Government employee has gone up.

Mr. McREYNOLDS. Oh, yes.

Mr. McMILLAN. Do you not think it would be a good idea for us just to study the individual problem of everybody's salary? I know my expenses have gone up just as much as any other Government employee's, and I think everybody's salary should be adjusted according to the times.

Mr. McREYNOLDS. Again, I do not know what I can add to that inquiry. Of course, there is a proposal here that would take care of some in the higher brackets.

Mr. McMILLAN. Do you not think it would be a good idea to place everybody on the 48-hour week, and that it would be less complicated than to pay time and a half?

Mr. McREYNOLDS. Well, I do not know. Now, so far as I am concerned, from my own personal standpoint, I do not think if I added 8 hours a week to my work it would be worth any more, so I think I would hesitate to take it on that basis.

Mr. McMILLAN. I do not think this bill has anything to do with the industrial groups whatsoever. The industrial groups will take care of themselves. We want to do something for these boys working for the Government.

Mr. McREYNOLDS. Well, 6 out of every 10 working for the Government are already paid on this overtime basis.

Mr. McMILLAN. That won't cut that out, as I see it, but put everybody on some kind of a salary that they can pay the expenses, at least.

Mr. McREYNOLDS. I think the fairest basis for adjustment is to pay for the overtime work, and where you cannot work that overtime, give them an adjustment so that they can live. I am entirely in favor of it. The wording of this bill was worked out very carefully, after prolonged conference.

Mr. RANDOLPH. Any other questions, Mr. McMillan?

Mr. McMILLAN. No.

Mr. RANDOLPH. Mr. Kilburn?

Mr. KILBURN. Did I understand you to say there is another bill for the postal employees?

Mr. McREYNOLDS. Yes.

Mr. KILBURN. Did I understand you to say if another bill is passed to raise their pay, that that should be taken into consideration here? In other words, did you not say something about some other committee raising their rates?

Mr. McREYNOLDS. I said that the question of committee jurisdiction, or what I meant to convey was, I did not want to get into the question of committee jurisdiction as between postal employees and the general civil-service employees.

Mr. KILBURN. I understand.

Mr. McREYNOLDS. I do not think it would do any good for me to try, but I do think that the same principle should be maintained.

Now, I know something about the postal service. I was in the inspection service for pretty nearly 10 years before I went anywhere else in the Government service, and I do not think there is any question of the practicability of treating the postal employees in the same way exactly that you treat the rest of the Government employees.

Now, I think it would be in the interest of the postal employees if you did, but again, I am about to testify about their bill, which is not before you, and I should not do that, but I did want to give that impression.

Mr. RANDOLPH. I would like to interrupt at this point, Mr. Kilburn, that we are considering here the over-all picture of Federal employees and postal employees are certainly Federal employees, in the sense of a study of this kind.

Now, if you have any opinion, Mr. McReynolds, to give to the committee as to the manner of handling both groups within one legislative act, or handling both groups separately, why we would be delighted, and I think it would be appropriate for you to give it at this time.

Mr. McREYNOLDS. It is my opinion that you would get a better result if it were all handled in one bill, and that they were treated all alike.

Now, if, because of committee jurisdiction, they want to handle it in two bills, it could still be done that way if they would do the same thing, but I am afraid they won't.

Now, the proposition is that it is not fair to the group of Government employees as a whole for any one group, Postal Service or what not, to be given a flat bonus as has been proposed by many of their groups, of \$25 a month, or \$30 a month, or what not, and also authorized pay for overtime, which is exactly what they are headed for, and that is what they are driving for.

That is the reason they do not want it in here, but it is not fair as between groups.

Mr. KILBURN. They should not have both.

Mr. McREYNOLDS. They should not have both. The present law authorizes payment for overtime in Postal Service. Now, if you give the bonus and have overtime, they are paid both, and so far as I am concerned, I would recommend the veto of such a bill if it passes.

Mr. RANDOLPH. Mr. Manasco, any questions?

Mr. MANASCO. I want to ask a question on that subject. Is there any administrative objection; that is, would it call for any complication in the administration of the Pay Raise Act, if we passed a bill to raise the pay of employees in certain branches of the Government, and left the post office employees out, and then the Post Office Committee passed a bill that might have a few dollars difference in it? Would that not cause a complication? Why should we not have it all in one bill?

Mr. McREYNOLDS. You ought to have it all in one bill, in my opinion. What I think would be ideal, and desirable, is to adopt basic legislation that would say Government employees get so much under certain conditions, and it does not make any difference what kind of employee it ought to apply to, and get some uniformity.

Mr. MANASCO. There would be no objection then, from the standpoint of causing any complication in the administrative set-up, if we included the post office employees?

Mr. McREYNOLDS. Of course, I have always recommended that. I have talked to the groups about it. I know the boys very well. I have known them for many years. As I say, I started my Government service 37 or 38 years ago in the inspection service of the post office, and I stayed there for 10 or 15 years. And I like them. The post office is still home to me when I go into it any place.

But, I think the interest of the postal employee himself would be advanced if he were recognized as a part of the group of Government employees, and there is no reason why they should be treated differently than any other group.

Mr. MANASCO. Here is one group, Mr. McReynolds, that we have that is not considered a Government employee, and that is the star route carrier. They are considered independent contractors, as I understand.

Mr. McREYNOLDS. They are contractors. They get it on a bid basis.

Mr. MANASCO. Most of them were entered into before we got into the war, and before the cost of maintaining their equipment and their mileage expense increased. Many of them have had to give up their contracts, and the bondsmen have carried them out.

I am wondering if there could not be some way worked out in this bill to adjust those contracts, so those people would not be imposed on.

Mr. McREYNOLDS. I have no doubt about that.

Mr. MANASCO. That is, by an accelerated raise.

Mr. McREYNOLDS. I have no doubt that there is equity in that request, but I should think that it would be very difficult to do it in a pay adjustment bill, because he—after all, the star route contractor is a contract employee.

Mr. MANASCO. I understand.

Mr. McREYNOLDS. He has made a bad bid. He has had to accept it.

Now, there are a lot of Government contractors that have entered into long-time contracts. There is the same reason for consideration

for changes in cost, as a matter of equity. I think that ought to be done, but I do not see how it could be done in a bill of this kind.

Mr. MANASCO. In our war contracts, we permit readjustment, where the Federal Government or some of its agencies have caused a raise in wages or costs in materials.

Mr. McREYNOLDS. I think it would be only fair if that were done, but I just say, purely gratuitously, it should be done in separate legislation rather than trying to attach it to a bill of this kind, because after all, this is something that would give us a good deal of difficulty if it is not disposed of by the first of May.

Mr. RANDOLPH. Since you raised the point, Mr. Manasco, do you mean that we should adopt a different policy than that now practiced; do away with the contract system for the star route, and place it under a program where they would operate as our rural routes now are constituted?

Mr. MANASCO. That might be the answer to the problem.

Mr. RANDOLPH. Then it would be apropos to this type of legislation.

Mr. MANASCO. That would have to be done through the Post Office Committee.

Mr. McREYNOLDS. Well, if that were done, I think you would probably have to have some enabling legislation.

Mr. RANDOLPH. Yes.

Mr. McREYNOLDS. Of course, if that were done, this bill would cover that without any further changes, because the rural route carrier is covered by the 15 percent increase proposed at this time.

Mr. MANASCO. Now, is there any difference in this bill, in the wage increase and overtime period, from the resolution we passed in December?

Mr. McREYNOLDS. Yes.

Mr. MANASCO. What is the difference?

Mr. McREYNOLDS. The difference is about 9 percent.

Mr. MANASCO. I think that should be put into the record, because that question will be asked us on the floor of the House.

Mr. McREYNOLDS. Well, under the bill now in effect, overtime is paid on the basis of only one day's pay being one-three-hundred-and-sixtieth of the annual rate.

Mr. MANASCO. You say one three-hundred-and-sixtieth?

Mr. McREYNOLDS. That is right.

Mr. MANASCO. Why is that?

Mr. McREYNOLDS. It is the effort to pay for what a man actually does. Of course, a man does not work 360 days in a year. He works approximately 260.

Mr. MANASCO. In other words, he misses 105 days out of the year.

Mr. McREYNOLDS. We really make it conform to the industrial rates.

Now, you take the fellow, an hourly rate employee, who comes under the Wage Board, when he works overtime his pay is computed on the basis of the time he is actually employed, rather than the number of days in a year.

Mr. MANASCO. I suppose it is based on the 5-day week?

Mr. McREYNOLDS. Well, the suggestion is made that you authorize pay on the basis of actual hours worked, rather than the actual hours there are in a year or a month or a week.

Mr. RANDOLPH. Mr. Manasco, may I interrupt at this point; not to stop your testimony on the point raised by Mr. McReynolds, but I

do think that there are certain witnesses who can very appropriately go into that a little better than Mr. McReynolds, although I know that he is familiar with all phases of legislation.

Mr. MANASCO. Well, I just wanted to have the record show that, because that question will be raised on the floor.

Mr. RANDOLPH. Yes, it certainly will, and we want to develop it in the hearings.

Mr. McREYNOLDS. Yes. Messrs. Flemming and Young are prepared to go into that in detail.

Mr. RANDOLPH. Mr. Gale.

Mr. GALE. Well, just one thought occurred to me here. With the tremendous growth in the number of civil-service employees and the fact, whether we want to or not, we are going to have a large civil service from here on in, and there is going to be an increasing number of people working for the Government, why isn't it a pretty good idea to think about the general overhauling of the whole civil-service set-up? By that, I mean, at the present time we have different categories, each having a different regulation, each having different pension funds, and we have some in and some out, and it has been built up and accumulated and tacked on here and there by various acts from time to time.

Why isn't now a good time to consider a complete, broad, long-time overhauling of the whole thing, and not just attacking it from one angle?

Now, you people must have considered that a good many times.

Mr. McREYNOLDS. Yes, we did. We are in process of working up a group, jointly, of members of the House and Senate and the executive department, for the purpose of going into the question of that kind of a study, and that kind of a recommendation, and I think it is very interesting, but I do not agree that now is a good time to do it.

It seems to me that at the present, with the pressure of the high cost of living and competitive situations with respect to employment, that you would be unable to meet current requirements with respect to additional compensation without properly being unjustifiably extravagant on a permanent pay basis, and therefore it would be my opinion that it would be more logical to take care of this as an emergency proposition, as it is proposed, and let us go ahead and study it.

I think we need to study with Congress and the operating offices, working together, working on the same factual basis to get some kind of an agreement about what kind it should be. It may be that quite a radical basis, or change in the basis of Government pay ought to be made in order to be logical and responsive to changes that occur.

Mr. GALE. Well, do you not think that this job of overhauling the whole system is a pretty tough one?

Mr. McREYNOLDS. It is.

Mr. GALE. And there is the natural human inclination to kind of put it off because it is tough, and it is so much easier to tack on a little bit here and remodel a little bit there, and patch it up rather than work out the thing as a whole, which will have to be done sooner or later anyway, sometime.

Mr. McREYNOLDS. I agree that all those things exist. Yet, the fact remains, as I see it, that the need for current adjustment is beyond what normally should be needed for a permanent pay basis, and for that reason I think it would be better if this over-all study were made. I think it ought to be made. I think we ought to be

busy on it. As a matter of fact, we have the preliminary work done already with respect to creating the groups that will make the study.

Of course, this is an old problem with me. I have been working on it for 20 years or more. I have made continuous studies of industry and things of that kind, ever since the original Classification Act was passed for the employees.

Mr. GALE. That is all.

Mr. RANDOLPH. Mr. Rees, did you want to return again for a question?

Mr. REES. Yes, Mr. Chairman. As far as I understand your testimony, and so far as postal employees are concerned, as far as their pay is concerned, you feel that they should be paid 15 percent additional, rather than pay the \$300 bonus.

Mr. McREYNOLDS. No; I think the same rule should apply to postal service that applies to the rest of the Government service.

Mr. REES. Perhaps I did not state it correctly.

Mr. McREYNOLDS. I want to make this distinction, Mr. Rees. It is my belief that postal employees generally can and will inevitably be required to work 48 hours a week.

Mr. REES. All right.

Mr. McREYNOLDS. And I think where that is true, and where it is possible and practical to do that, their pay adjustment should be the same as the rest of the Government.

Mr. REES. That would be 30 percent more money with 20 percent more time.

Mr. McREYNOLDS. That is right. For the ones that cannot work more time, because of the kind of a job they have to do, then I am in favor of giving them the 15 percent, the same as is provided in this bill for other Government employees who cannot work the additional time; in other words, I would like to see them treated exactly alike.

Mr. MANASCO. That would cover the rural mail carrier and the railway mail clerk?

Mr. McREYNOLDS. That is true.

Mr. RANDOLPH. I want to simply ask one question before going to the next witness.

You speak, of course, today, for the President in this matter?

Mr. McREYNOLDS. The principles that are carried in this bill were cleared by me personally with the President before it was brought up at the last session.

Mr. REES. What additional cost will it entail?

Mr. McREYNOLDS. I do not know.

Mr. RANDOLPH. Mr. Manasco?

Mr. MANASCO. I would like to ask Mr. McReynolds one further question. Is the administration opposed to the temporary suspension during the present hostilities of the principle of the 40-hour week?

Mr. McREYNOLDS. I cannot answer that.

Mr. RANDOLPH. Thank you, Mr. Reynolds.

Mr. McREYNOLDS. That would not be within my jurisdiction.

Thank you, Mr. Chairman.

Mr. RANDOLPH. You have been very helpful to the committee, and we appreciate your testimony.

Mr. RANDOLPH.* Our second witness before the committee will be the Honorable Arthur S. Flemming, a member of the Civil Service

Commission. After you present your statement, Mr. Flemming, the committee would like to question you.

Temporarily I will have to retire from the chair. Mr. McMillan, will you take the chair?

STATEMENT OF HON. ARTHUR S. FLEMMING, A UNITED STATES CIVIL SERVICE COMMISSIONER

MR. FLEMMING. Mr. Chairman, and members of the committee, the Civil Service Commission believes that the passage of this bill, or a bill similar to it, is absolutely essential.

A high rate of turn-over is still one of the most serious problems confronting us in the Civil Service. I would like to take, in order to illustrate that point, the figures for the entire Federal service for the first 6 months of the present fiscal year, that is, the 1st of July through December.

During that period of time, the total number of placements made in the Federal service was 1,383,857.

The number of placements that we made for new positions out of that total of one million, three hundred eighty-odd thousand, was 603,901.

The number of placements that we made for the purpose of filling old jobs, or for replacement purposes, was 779,856.

I can put that in another way. During that period of time, the Federal service grew from 2,206,970 on July 1, to 2,810,871 on the last of December; that is, there was a net increase of 603,901. But, during that period of time, we had to make, in order to bring about that net increase, 1,383,857 placements, or, in other words, for replacements, we had to make 779,856 placements.

That, of course, indicates that our turn-over rate has been very high.

Now, I would like to take that same period of time and indicate to you just what the picture was in the departmental service. As you appreciate, most of the departmental service is located here in the District of Columbia, although some departments have moved out and are located in other parts of the country. Also, there are some field employees in the District of Columbia, but generally speaking, the departmental service is located here in the District of Columbia.

From the first of July to the end of December, we made 102,232 placements in the departmental service.

For the purpose of filling new positions, we made only 17,903 placements.

For the purpose of filling old positions, we made 84,329 placements.

I can put that in another way. On July 1, the total number of persons in the departmental service was 237,044. At the end of December, it was 254,947; in other words there has been a net increase in the departmental service of only 17,903. Prior to this period, it was not unusual for us to have that much of an increase in a 2 months' period. But, in order to bring about a net increase of 17,903, we had to make 102,232 placements.

The figures for December are also interesting. There was a net loss of 57 in the departmental service during December. That is the first month, really, since the beginning of the emergency, that we have shown a net loss in the departmental service, rather than a net gain. But during that month we made 12,906 placements. This helps to give some idea of the turn-over problem in the departmental service.

I would also like to give you comparable figures for the field service. During the same 6 months period we made, in the field service, 1,281,625 placements; 585,998 of those were for new positions, and 695,627 were for old positions.

Breaking the total figures down in terms of the departmental service and the field service also serves to illustrate that at the present time growth in the Federal service is taking place primarily in the field. And of course, a large percentage of the field employees are in our navy yards, in our arsenals, in our air depots, and in other similar War and Navy Department establishments.

Now, these figures that I have just given, indicating a very high rate of turn-over, do not reflect in any way the effect of the passage of the present overtime law, the one that is now in operation, Public, 821, because that law did not become operative until December 22.

However, if Public, 821, should lapse on April 30, and if the Congress did not enact a law prior to that time with similar provisions, it would mean that a large part of the Federal service would have to return to a 44-hour week, because the Saturday half-holiday law would then become operative again. It is suspended by Public, 821. Also, if the present law is not replaced by a new one very few per annum employees will receive payment for overtime.

In other words, the Federal Government, as an employer, would then be following a policy which would be directly contrary to the policy which the Federal Government insists private employers must follow. For today the 48-hour week, as a result of an Executive order recently issued by the President, is the rule for private employers. And private employers must pay, under existing law, time and a half for overtime.

It seems very clear that the Federal Government, as an employer, should not refuse to do what it insists private employers must do. If it does, it is obviously setting the wrong kind of an example in that it is not practicing what it preaches, and also there is bound to be an increase in turn-over over and above what we have had up to the present time.

We just could not compete with industry for personnel, with industry working their people 48 hours, as a minimum, and paying time and a half for overtime, if we were in a position where our employees were working officially only 44 hours, and were receiving no pay for overtime.

So, it is for those reasons, taking a look at the Federal personnel picture as a whole, that we believe it is absolutely essential for the Congress to pass either H. R. 1860, or a bill with comparable provisions.

Now, with that background, I would like to comment upon certain provisions in this particular bill.

Section 1 of H. R. 1860 deals with the coverage of the bill. It excludes from coverage policemen and firemen and teachers in the District of Columbia. It is our understanding that the Congress is considering other legislation for those employees.

As has already been pointed out, the bill as drafted excludes the field service employees of the Post Office Department, and also the bill as drafted excludes the Wage Board groups from its provisions. They are taken care of, of course, in other legislation, which does provide that they are to receive time and a half pay for working in excess of 40 hours.

Section 2 of the bill contains the authorization for overtime pay and fixes—

Mr. MANASCO. Excuse me. I do not wish to interrupt and stop your trend of thought—

Mr. FLEMMING. That is all right.

Mr. MANASCO. Did I understand you to say time and a half in excess of 48 hours?

Mr. FLEMMING. Forty hours, I am sorry. I was in error if I said 48—in excess of 40 hours.

Section 2, as written, differs from Public Law 821, the present overtime pay law, in the following respects: At the present time, the law provides that per annum employees shall be paid overtime at a rate of one and one-half times their basic compensation, but specifies that in computing the overtime, the base pay for 1 day shall be considered to be one three-hundred-and-sixtieth of the per annum salary.

Questions have been raised from time to time as to how that figure was arrived at; the one three-hundred-and-sixtieth. Well, apparently it was arrived at by simply taking 30 days in a month, and multiplying it by 12, and arriving at the figure of 360.

The bill which is now before the committee for consideration specifies that the base pay for 1 day shall be considered to be one two-hundred-and-sixtieth of the per annum salary.

Now, this proposed formula for determining overtime pay is arrived at by assuming that then basic workweek of 40 hours consists of five 8-hour days, and the simply multiplying the 5 days by the 52 weeks, arriving at the figure of 260.

If this change is accepted by the committee, it will mean that the basis for computing overtime, for per annum and per diem employees, will be the same.

We feel that the way in which the per diem employees are now being handled is much more realistic, and it is in conformity with the practice in industry.

Right now, if a per diem and per annum employee received approximately the same base pay, the total compensation received by the per diem employee will be greater than the compensation received by the per annum employee, and that creates, in a great many of our production establishments some rather serious situations.

I think I can illustrate it best by referring to the inspectors that are employed by the Navy Department. The Navy Department practice is to recruit inspectors from the mechanics in their navy yards and in their other establishments. When they are advanced to the position of inspector, they are paid on a per annum basis. That means in some instances that if they are promoted to the position of inspector, they are rewarded for their promotion by being given less money than they would have received if they had remained as a mechanic.

Mr. REES. I thought there was some provision in that measure, or some other measure, that said there would be no reduction by reason of this act.

Mr. FLEMMING. Well, no; there is no reduction, but take the situation, Congressman, where a mechanic is working in one of the navy yards, and the Navy Department decides that it wants to promote him to inspector. When he goes out of the mechanic category, he goes out of the class where the pay is handled on a per diem basis, and

he moves over and becomes a per annum employee. He is paid on an annual basis.

At the present time, with the overtime being computed on a one three-hundred-and-sixtieth basis, it would mean that he would get less for his overtime on his new job, than he had been getting on his old job.

Mr. REES. But not less salary.

Mr. FLEMMING. No; the law does not serve to reduce the salary attached to any given position.

It is our feeling that the formula of one two-hundred-and-sixtieth should be adopted for two reasons. It will bring the per annum employees' overtime pay in line with the per diem employees in the Federal establishments, and it puts the Federal establishments on identically the same basis as private establishments are now on.

Section 2 also differs from the existing law in that the existing law provides that each employee shall be paid only such overtime compensation or portion thereof as will not cause his aggregate compensation to exceed a rate of \$5,000 per annum.

This provision is eliminated from section 2 of the bill which is now before you.

Mr. MANASCO. That gives a man making \$6,500 a raise on \$2,900?

Mr. FLEMMING. That is right, only on \$2,900. In other words, if the bill, as it is now written, is approved by the Congress, it means a person receiving in excess of \$5,000—gets overtime compensation, but only overtime compensation on \$2,900 of his salary; not on his full salary.

Mr. MANASCO. It does not apply to the heads of departments.

Mr. FLEMMING. That is correct. It does not apply to the heads of departments.

Mr. MANASCO. In other words, if the heads of a department were making \$10,000, and the general counsel of that department were making \$10,000, the general counsel would get the increase and the head of the department would not?

Mr. FLEMMING. That is correct, under the bill as it is now written.

We favor the elimination of the \$5,000 ceiling. We favor it for a number of reasons.

Mr. REES. It means simply that a man getting over \$5,000 would get not only \$540 increase, but under this, an increase—what is the amount? What is the increase?

Mr. FLEMMING. Well, 20 percent on \$2,900 is \$580, and if it is moved up to 30 percent, why, of course, it gives him an additional 10 percent.

Mr. REES. That is right.

Mr. FLEMMING. So it means simply that he gets that much more.

Mr. REES. That much more money?

Mr. FLEMMING. That is right; that much more increase.

Now, we favor this because we feel, as has already been indicated by a member of the committee, that those in the upper brackets are confronted with definite increases in the cost of living, and also because Government salaries in the upper brackets are known to be lower than salaries paid for comparable duties and responsibilities in private industry.

Mr. RANDOLPH. At that point, do you have any figures that could be made a part of the record which would bring that more clearly to the committee and to the Congress?

Mr. FLEMMING. We will do our best to present figures of that kind.

Mr. RANDOLPH. I have heard the statement that you made many times before.

Mr. FLEMMING. That is right.

Mr. RANDOLPH. And I presume it must be based on a study or survey, and I think it might appropriately be made a part of the hearing, if it could be set forth in that manner.

Mr. FLEMMING. We will be very happy to give you that information. (This statement will be furnished the committee at a later date.)

Mr. MANASCO. And also show what this increase would be over the formula we adopted at the last session.

Mr. FLEMMING. This information will be furnished by Mr. Young of the Bureau of the Budget.

Also, I would like to point out that a ceiling of the kind that is in the present bill causes some unusual situations, as far as cash receipts are concerned. A person who is being paid \$5,000 will receive less cash than a person who is being paid less than that, let us say, around \$4,500 or \$4,600, because retirement deductions of 5 percent are on the base pay so that the person who is getting around \$4,500 or \$4,600 will have 5 percent taken out of his base pay.

Then, in addition to that, he will get his overtime payments, and there will be no deduction made from those overtime payments for retirement. On the other hand, the person that is getting a base salary of \$5,000 can't earn any overtime and he has 5 percent taken out for retirement purposes.

Mr. REES. To be fair to him, there should be equality.

Mr. FLEMMING. Your point is absolutely right. He is putting it in a trust fund, Congressman.

Mr. REES. That is right; to be matched with the money from the Federal Treasury.

Mr. FLEMMING. The only point that I am bringing out is the relative cash position of the two employees.

Mr. McMILLAN. In taking care of living conditions now.

Mr. FLEMMING. That is right.

Now, section 3 of the bill provides that where the nature of the work is such that employees cannot receive overtime, they will be given 15 percent additional compensation. This differs from the existing overtime law in that it fixes it at 10 percent instead of 15 percent.

In connection with this section, Mr. Chairman, I would like to propose an amendment. In line 25, after the word "branches", insert "except the Library of Congress, the Office of the Architect of the Capitol, and the Botanic Garden."

Mr. McMILLAN. Repeat that, please.

Mr. FLEMMING. After the word "branches", in line 25, insert "except the Library of Congress, the Office of the Architect of the Capitol, and the Botanic Garden."

The reason for that is this: The bill, as drafted, and the existing law, provides that all legislative employees are to receive either the 10 or 15 percent, as the case may be.

Actually, the three legislative agencies that I have mentioned, the Library of Congress, the Architect of the Capitol, and the Botanic Garden, as the members of the committee appreciate, operate on just

about the same basis as the various agencies in the executive branch of the Government.

If, for instance, the Library of Congress is placed on a 48-hour week in conformity with existing policy, it means that, at the present time, they would only receive a 10-percent increase in compensation, whereas employees doing comparable work in the executive branches receive a 20-percent increase. Under the proposed bill, it would mean that the Library of Congress employees would receive only a 15-percent increase, whereas employees doing comparable work would receive a 30-percent increase.

We do not believe that that distinction should be made between this type of legislative employee and the employees that work in the executive branches of the Government. If the committee desires to explore this point further from the standpoint, for example, of the operation of the Library of Congress, the Librarian would I feel sure be very happy to appear before the committee. However, I told him that we would propose this amendment, and he is in favor of it.

Mr. RANPOLD. Is that amendment requested by the Librarian of Congress, or did that originate in your office?

Mr. FLEMMING. It originated in our office. The Librarian called me yesterday wanting to know if we were going to propose anything along that line, and I told him we were, and indicated to him the kind of amendment that we were going to propose.

There is one other amendment to section 3 that I would like to propose, and I think it will answer some questions that otherwise would probably be raised with the committee. On page 3, line 1, insert, after the word "applies," the following:

and officers and employees whose working conditions, on recommendation of the head of the department or agency and approved by the Civil Service Commission, are found to be such as to render an overtime work schedule impracticable.

Mr. RANDOLPH. Would you read the amendment again?

Mr. FLEMMING. Yes; after the word "applies", line 1, on page 3, insert:

and officers and employees whose working conditions, on recommendation of the head of the department or agency and approved by the Civil Service Commission, are found to be such as to render an overtime work schedule impracticable.

Now, that is designed to take care of the situation which I think Mrs. Rogers had in mind in introducing a bill dealing with this subject, which is identical with the bill now before you, with the exception of the fact that it would make it possible for certain types of storekeepers——

Mr. REES. And storekeepers.

Mr. FLEMMING. Whose workweek is conditioned by the workweek in the industry in question, and who are unable to work in excess of the 40 hours; to receive the percentage increase in their base pay.

Mr. RANDOLPH. How many persons would be involved, do you imagine?

Mr. FLEMMING. Oh, a very small number. I feel sure that it would involve, a comparatively few number of employees.

Section 4 of the bill repeals two laws whose provisions are inconsistent with this bill. For example, those laws, I think, provide for the computation of overtime on the basis of one three-hundred-sixtieth, instead of one two-hundred-sixtieth.

Section 5 provides, again, for the repeal of the Saturday half-holiday law.

Section 6 provides that the bill or law would not operate to prevent payment for overtime to certain groups of employees now receiving overtime compensation at higher rates of pay than provided for in H. R. 1860. The periods of employment for these groups of employees are, as a general thing, intermittent, and usually are performed by employees who have already worked a day shift.

In the case of the inspectors, and employees of the Customs Service, Bureau of Immigration and Naturalization, and marine and navigation inspectors, the work is performed for the convenience of the steamship companies, which reimburse the Government for the overtime payment.

Section 7 continues the authority which was given to the Bureau of the Budget in section 2 of Public, 821 to take steps designed to bring about a reduction of personnel and it also provides for a continuation of the authority to the Civil Service Commission to transfer persons whose services are no longer needed in a particular agency, if their services can be utilized in another agency of the Federal Government.

We are, of course, heartily in favor of the principle back of this section. I think the Bureau of the Budget will probably want to suggest certain amendments, but as far as the principle back of it is concerned we are very much in favor of it.

Section 8 simply gives authority to the Civil Service Commission to promulgate the necessary rules for the carrying out of the provisions of the law.

We would like to suggest one minor amendment, and that is in line 4. We would like to strike out the words "to take such action and—."

In other words, with those words in, there might be some apparent conflict with the normal duties of the General Accounting Office in handling matters of this kind. The elimination of those words eliminates any possibility of conflict.

That, Mr. Chairman, concludes my presentation.

MR. RANDOLPH. Mr. Rees?

MR. REES. Mr. Flemming, you called attention to the great number of placements in the service during the last 6 months of 1942. Of course, that has been true in industry and everywhere, hasn't it?

MR. FLEMMING. That is correct; yes, sir.

MR. REES. And when you give us this great number of placements, that does not mean that that many persons were taken out of Government service, cleared out and others brought in, does it? It includes shifting within the Government service?

MR. FLEMMING. That is correct.

MR. REES. Now, then, would it not be rather more important for this committee to know how many really left the Government service, and how many new ones were brought into the service? Would that not be a more important and complete picture?

MR. FLEMMING. Well, the only figures, Congressman, that would affect the totals that I have given you are the figures of interagency transfers. Promotions within a particular department are not reflected in those totals at all, but transfers from one department to another under the direction and supervision of the Civil Service Commission are reflected in the totals.

Now, as an approximation, I would say 30,000 such transfers were made during that 6 months' period. Transfers have been taking place at a rate of approximately 5,000 a month, so for the 6 months' period that would be 30,000, and in order to arrive at the result that you are interested in, we would deduct from the number of placements for replacements, which was 779,856, a figure of 30,000.

Mr. REES. In other words, you would say that approximately 750,000 people actually left the service after they were employed.

Mr. FLEMMING. I would put it this way, that we had to bring in approximately 750,000 people to fill old positions as contrasted with the filling of new positions; in other words, during that period we brought in just a little in excess of 600,000 people to take care of the expansion of the Federal Government.

Mr. REES. But is not the thing I stated correct, that 750,000 people actually left the Government service?

Mr. FLEMMING. That is right.

Mr. REES. In 6 months' time?

Mr. FLEMMING. That is right.

Mr. REES. All right. Now, do you have any approximate figures to indicate where these people went; I mean by that, in giving the picture, is it not a fact that quite a number of them went into the armed forces?

Mr. FLEMMING. I will be very happy to present to the committee these figures.

For the past 5 months in the departmental service only, quite a number of departments have been conducting exit interviews for the purpose of ascertaining why people were leaving the service. A report of the exit interviews is furnished the Civil Service Commission.

For the agencies reporting to us for the months of October, November, and December—and this is departmental service only—the total number of separations involved was 16,677.

Of that number, 4,176 were to enter the military service; or, in other words, approximately 25 percent of the total number.

Two thousand seven hundred and eighty-six of those were transferred from one agency to another, or approximately 17 percent.

Three hundred and forty-nine were due to retirement and death, or approximately 2 percent.

Eight hundred and eighty-eight were involuntary; in other words, discharged, or approximately 5 percent.

Then, all other reasons, 8,478, or approximately 51 percent.

Now, I will break that down in just a moment. Out of the group of more than 8,000, there were a total of 5,973 exit interviews.

As the result of those interviews, 978 persons, who had decided to quit, were persuaded to stay on, or about 16 percent—16½ percent of the total.

Incidentally, we are very much in favor of these exit interviews, because it does represent a saving of manpower whenever you can sit down and talk with somebody that is going to go off your pay roll, and, as a result of the interview, persuade that person to stay.

Now, on a percentage basis, I would like to analyze the reasons that were given for leaving employment.

Eight-tenths of 1 percent said it was due to housing conditions; 1.1 percent said that it was due to transportation conditions; 8.6 percent assigned other factors, affecting their living environments.

In other words, about 10.8 percent left because of housing transportation, or other factors involving living environment.

Two-tenths of 1 percent said they were leaving because they didn't have enough work, 2.3 percent said they were leaving because of working conditions; 2.9 percent said that they were leaving because they did not feel that they were being utilized at their highest skill; 3.2 percent said they were leaving because they did not think the work was important enough for them to be engaged in; 11.1 percent left because of the salary that they were receiving; 8.3 percent left because they did not feel that their prospects for promotion were all that they should be.

So, in other words, you get a total here of about 28 percent that left because of working conditions, using that term in a broad sense.

Then 11.1 percent left because of poor health; 3.6 percent left because of marriage; 1.6 percent, maternity leave; 10.4 percent for other family reasons; 6.8 percent for the purpose of returning to school.

That makes about 33½ percent for personal reasons. And then all other reasons constituted 27.7 percent of the total.

Those figures are beginning to give us a picture of what some of the causes of this turn-over are. This should help us materially in cutting down the turn-over rate. For instance, in connection with the reasons that might be grouped under the heading of "Working conditions," many of those reasons can be eliminated by the right kind of supervision.

Mr. RANDOLPH. I want to ask you a question at that point, Mr. Flemming.

Mr. FLEMMING. Yes, sir.

Mr. RANDOLPH. I have listened carefully to the break-down percentages. One, which perhaps brought a response to my own mind very quickly, was the almost 12 percent of separation from Government employment due to the health of the worker. That seems high to me, and I wondered to what cause, or causes, it is ascribed.

Mr. FLEMMING. Well, frankly, I do not have a basis for comparison with industry on that, but my own reaction was the same as yours; I mean, it seemed very high to me. Of course, that is the employee's reason.

Mr. RANDOLPH. Yes; I understand.

Mr. FLEMMING. So I suppose that we would probably have to discount that percentage some; that is, the health might not be such as to prevent the employee from continuing, if the case were checked up by a competent medical authority.

Mr. REES. Those figures are extremely interesting. I think there are a few more things that could be shown. One is to indicate how many, or what percent of these employees indicated their intention to go into some industrial work. There was nothing to indicate what it was, in your figures there.

Mr. FLEMMING. That is right. I think that the exit interview form ought to be revised so as to bring out that information.

Mr. REES. The theory is that there might be a difference during the month of January.

Mr. FLEMMING. That is right.

Mr. REES. So your figures might disclose a little different picture.

Mr. FLEMMING. We are going to be very much interested in getting those figures for January, because it may reveal a different situation.

Mr. REES. And possibly February.

Mr. FLEMMING. That is right. In other words, you see also these do not reflect the effect on losses to go into the military service of the President's order bringing about a cessation of voluntary enlistments.

Now, that is bound to have some effect on turn-over too. I would say probably the percentage going into the military service, as a result of the cessation of voluntary enlistment, would go down some during the months of January and February.

Mr. McMILLAN. I would just like to ask Mr. Flemming one question. Has the Commission experienced very much difficulty in recruiting employees for the city of Washington on account of living expenses; the high cost of living?

Mr. FLEMMING. There is no question at all, Congressman, but that we have experienced a great deal of difficulty in persuading people to come to Washington under present conditions. That is due to living costs; and also due to the housing situation. It is likewise due to the stories that are written about living costs, housing conditions, and so on in the city of Washington.

We have a very serious problem on our hands along that line. You notice in the figures I gave, Mr. Chairman—that is, while you were out of the room—that in the departmental service for the month of December, we have a net loss of 57, in spite of the fact that we made about 12,900 placements during that particular month.

We do know that there are certain places in the Government where our inability to bring people in, to persuade people to come in, is really a very serious handicap in connection with the operation of the war program.

Mr. RANDOLPH. Mr. Flemming, what are the conditions in Washington, other than represented by commentators and newspaper writers to the Nation?

Mr. FLEMMING. Well, Mr. Chairman, in your capacity as chairman of the Committee on the District of Columbia, I think you are probably in a better position to answer that than I am. Personally my feeling is that those stories are greatly exaggerated in a good many instances, and that it is possible still to make the kind of adjustments for individuals who are brought into Washington that enable them to carry on their work in an effective manner.

Mr. RANDOLPH. It is true—not attempting to draw a line between certain types of employees, but there are still Members of the Seventy-eighth Congress, new Members, elected in November, who are yet unable to establish residences for themselves in Washington for the term of their service.

Mr. FLEMMING. That is right.

Mr. RANDOLPH. So the problem exists in all brackets, of course.

Mr. FLEMMING. That is right. Certainly. I would be the last to minimize the seriousness of the problem. It is a very real problem, and it is a very serious problem, and it is hard to make a general statement that is fair and accurate. I mean, it is very easy to go to one extreme or the other; that is, to be overly encouraging in discussing the possibility of coming into Washington, or in being overly pessimistic.

As far as the individual room situation is concerned, apparently with some of the dormitories that will be opening up, that situation will improve some in the months that lie immediately ahead.

Mr. RANDOLPH. Mr. Lanham, of course, pictured the bright side as expressed by the Commission in an advertisement, and the newspapermen and the radio commentators presented, perhaps, the committee's side of the picture. The members of this committee, of course, will try to take a middle ground.

Mr. FLEMMING. Thank you very much.

Mr. RANDOLPH. Mr. Kilburn, did you have any questions?

Mr. KILBURN. Did you say how many replacements were necessary because of being drafted?

Mr. FLEMMING. Well, on this break-down of 16,677, which is just a cross section, of course, it was 25 percent; 25 percent of the persons who left—left for military service.

Mr. KILBURN. What percentage was it that left because they were were not getting enough money?

Mr. FLEMMING. About 11 percent. Eleven percent said their present salary was inadequate.

Then, 8.3 percent said that they didn't feel that their promotional opportunities were what they should be, so those two reasons can be grouped together.

Mr. KILBURN. Just pay?

Mr. FLEMMING. Just pay; 11.1 percent.

Mr. KILBURN. That seems low to the committee. Here we are considering a bill raising all of their pay. I would imagine 11 percent would quit in any industry on account of pay.

Mr. FLEMMING. Congressman, frankly, our experience has been this: Of course, these figures reflect the situation prior to the passage of the Overtime Pay Act, and our experience had been quite the reverse of that, for this reason.

Prior to the passage of the Overtime Pay Act, a good many of the per annum employees in the field service received time and a half for overtime. The per annum employees here in the District could not, in the departmental service, and consequently we did have a good many persons who were coming in, getting established, and then finding out that by going back to their home communities, they could not only get the same base salary but they could get time and a half for overtime.

So, we do know, as a matter of fact, that that contributed very largely to our turn-over during that period. These figures are a cross section. It is obviously a small number and can be misleading at certain points.

Mr. KILBURN. Just one other question. Back in section 2, you talked about \$5,000. There is no \$5,000 in there. But, even if a man were getting \$5,000 under this bill, he would get overtime on \$2,900 of it?

Mr. FLEMMING. That is correct. I was simply pointing out the difference between this bill and the existing law. The existing law reads:

Each such employee shall be paid only such overtime compensation or portion thereof as will not cause his aggregate compensation to exceed a rate of \$5,000 per annum.

That does not appear in the draft of the bill that you have before you, and it is our recommendation that it should be left out.

Mr. RANDOLPH. Mr. Manasco.

Mr. MANASCO. For the information of the committee, and for the information of Congress, I think it would be advisable to place in the record a break-down of the number of employees in each department—or Government agency—those three and a half million Government employees are not all represented by white-collar employees.

Mr. FLEMMING. It is only up to 2,800,000, Congressman. We haven't hit three and a half million yet.

Mr. MANASCO. But a lot of those employees are working in the navy yards, arsenals, and so forth.

Mr. FLEMMING. That is true.

Mr. MANASCO. And I think that figure would be very informative.

Mr. FLEMMING. I would be very happy to give the committee a statement along that line.

Mr. MANASCO. Give it as to each department. A lot of people are of the opinion—and I have been of that opinion myself—that a lot of those departments are overstaffed.

Mr. FLEMMING. You can see, out of the 2,800,000 that were on the rolls at the end of December, only 254,000 of them were in the departmental service, which means approximately that number were in Washington, D. C.; the rest in the field service.

Some studies that we made in the latter part of November and early December showed that at that particular time approximately a million and a half of the Federal employees who were then working for the Government, were working in navy yards, arsenals, air depots, and in other similar War and Navy Department operating establishments.

Mr. MANASCO. And your break-down will show that?

Mr. FLEMMING. That is right.

Civilian employment in the executive branch of the Federal Government, November 1942

Department of establishment	Inside District of Columbia	Outside District of Columbia	Entire
EXECUTIVE OFFICE OF THE PRESIDENT			
Executive staff.....	733	118	851
Maintenance force (White House).....	99		99
WAR ESTABLISHMENTS			
Office for Emergency Management:			
Alien Property Custodian.....	459	586	1,045
War Production Boards.....	14,099	6,744	20,843
War Shipping Administration.....	608	942	1,550
All other, Office for Emergency Management.....	8,837	10,264	19,101
Office of Censorship.....	800	11,483	12,283
Office of Price Administration.....	4,928	32,889	37,817
Office of Strategic Services.....	916	186	1,102
Board of Economic Warfare.....	2,571	245	2,816
Selective Service System.....	731	26,640	27,371
EXECUTIVE DEPARTMENTS			
State.....	2,567	5,206	7,773
Treasury.....	24,283	47,123	71,406
War.....	60,887	1,152,201	1,213,088
Justice.....	8,523	21,860	30,383
Post Office.....	6,841	318,910	325,751
Navy.....	48,225	499,561	547,786
Interior.....	5,041	37,800	42,841
Agriculture.....	10,645	64,968	75,613
Commerce.....	12,728	12,817	25,545
Labor.....	2,252	2,860	5,112

Civilian employment in the executive branch of the Federal Government, November 1942—Continued

Department of establishment	Inside District of Columbia	Outside District of Columbia	Entire
INDEPENDENT ESTABLISHMENTS			
Alley Dwelling Authority.....	241		241
American Battle Monuments Commission.....	5		5
Bituminous Coal Consumers Counsel.....	42		42
Board of Governors, Federal Reserve System.....	429	9	438
Board Investigations and Research.....	168		168
Civil Service Commission.....	3, 859	3, 524	7, 383
Employees' Compensation Commission.....	34	485	519
Export-Import Bank.....	50		50
Federal Communications Commission.....	1, 104	1, 083	2, 187
Federal Deposit Insurance Corporation.....	287	2, 231	2, 518
Federal Power Commission.....	535	277	812
Federal Security Agency.....	8, 458	56, 891	65, 349
Federal Trade Commission.....	508	74	582
Federal Works Agency.....	15, 191	12, 027	27, 218
General Accounting Office.....	7, 934		7, 934
Government Printing Office.....	7, 840		7, 840
Interstate Commerce Commission.....	1, 698	794	2, 492
Maritime Commission.....	2, 623	4, 044	6, 667
National Advisory Committee for Aeronautics.....	134	2, 938	3, 072
National Archives.....	430	14	444
National Capital Park and Planning Commission.....	21		21
National Housing Agency.....	3, 828	12, 411	16, 239
National Labor Relations Board.....	417	478	895
National Mediation Board.....	27	52	79
Panama Canal.....	228	32, 459	32, 687
Railroad Retirement Board.....	22	1, 850	1, 872
Reconstruction Finance Corporation.....	3, 798	3, 493	7, 291
Securities and Exchange Commission.....	14	1, 364	1, 378
Smithsonian Institution.....	817		817
Tariff Commission.....	339	11	350
Tax Court of the United States.....	131		131
Tennessee Valley Authority.....	9	37, 340	37, 349
Veterans' Administration.....	6, 164	38, 691	44, 855
Total.....	284, 158	2, 465, 943	2, 750, 101

As of November 30, 1942, of the total Federal employment of 2,750,101, approximately 1,677,800 were engaged in war production, construction, and maintenance in War and Navy Department field establishments. A break-down of this 1,677,800 is as follows:

(a) Approximately 335,000 of the civilian employees are employed in the Government's shipyards, building battleships, submarines, and cruisers, and carrying an extremely heavy load as far as repair of naval vessels is concerned.

(b) One hundred seven thousand five hundred of the civilian employees work in Government operated arsenals, making Garand rifles, heavy artillery, and other munitions of war.

(c) Approximately 192,800 are employed in the Navy's torpedo stations, manufacturing plants, and air stations, manufacturing, repairing, and servicing torpedoes, naval guns, aircraft and aircraft engines, and similar equipment.

(d) Two hundred fifty-six thousand seven hundred civilians are employed in the Air Forces of the Army and engaged in the repair, servicing, and maintenance of aircraft, organizing and operating air depots, the delivery of aircraft here and abroad, the experimental testing of aircraft and aircraft equipment, and the instruction of pilots, navigators, bombardiers, and other technicians.

(e) Approximately 785,600 civilians are employed by the Services of Supply of the Army, and are engaged in such activities as the handling, storage, and distribution of tanks, guns, bombs, bullets, and other matériel, the repair and maintenance of utilities, and the procurement of munitions of war.

These figures include all of the employees engaged in these industrial establishments and, therefore, represent an industrial or activity classification as distinguished from an occupational classification. Practically all of these Federal employees are employed in establishments located outside of Washington, D. C. These industrial establishments, of course, employ production clerks, and employees to prepare blueprints and specifications as well as to perform other clerical and supervisory work in addition to employees in the skilled trade categories.

FEDERAL GOVERNMENT VERSUS PRIVATE SALARIES

It is a well known fact that the salary rates for top management or technical positions under the Classification Act of 1923, and other laws which establish pay rates for positions in the Federal service do not match or even approach the rates paid for comparable responsibilities in private industry, and that such rates in private industry are far in excess of Government scales.

In connection with a general survey of salary and wage rates in private industry, the former Personnel Classification Board in 1928 and 1929 secured information on the basic salaries of approximately 500,000 employees of private corporations. This data showed that—

For positions in the clerical, administrative and fiscal and the subprofessional services, the Federal pay scale below the \$2,000 level is more liberal than the average pay for similar non Government positions, and for those above the \$2,000 level it is less liberal; however, there are a considerable number of employers who pay higher rates than the Federal scale even in the lower grades.

The salaries paid by private concerns to their major executives exceed those paid by the Federal Government to positions of similar responsibility anywhere from 100 to 500 percent.¹

According to a study of the compensation of the highest executives of 123 retail and industrial companies in 1934, the median compensation of the highest paid executive varied from \$40,000 to \$61,000 a year; that of the second highest paid executive from \$25,000 to \$43,000 a year; and that of the third highest paid executive from \$20,000 to \$39,000 a year.²

In a study of executive salaries published in 1939, it was shown that in 1936, the median average compensation of all executives exclusive of that of the 3 highest paid executives was about \$27,000 in 44 large companies and about \$9,000 in 40 small companies.³

In 1937, an analysis was made of reports filed with the Securities and Exchange Commission, showing the compensation paid to the highest executives of several hundred corporations. It developed, among other things, that the salaries of the highest paid executives in 222 companies were as follows:⁴

Salary of highest executive;	Number of companies	Salary of highest executive—Con.	Number of companies
Less than \$9,000	2	\$60,000 to \$69,000	16
\$10,000 to \$19,000	32	\$70,000 to \$79,000	12
\$20,000 to \$29,000	42	\$80,000 to \$89,000	2
\$30,000 to \$39,000	41	\$90,000 to \$99,000	8
\$40,000 to \$49,000	27	\$100,000 and over	19
\$50,000 to \$59,000	21		

Mr. MANASCO. I would like to ask one or two more questions. Have you discussed with the War Manpower Commission and the War Labor Board the effect that the passage of this bill will have on private industry; in other words, there will be a lot of people using the Government as a yardstick in establishing wage scales outside the Government.

Mr. FLEMMING. Congressman, it seems to me that this is not in conflict at all with the basic policy that is being followed by the Government at the present time in that connection.

Mr. MANASCO. Will you state the formula?

Mr. FLEMMING. The War Labor Board has emphasized the fact in its Little Steel decisions and in other decisions that it has tendered, that when it allows an increase in pay, it allows an increase in the base rate and does not take into consideration the question of overtime.

¹ Personnel Classification Board, Closing Report of Wage and Personnel Survey, H. Doc. No. 771, 71st Cong., 3d sess., 1931.

² John Calhoun Baker, The Compensation of Executive Officers of Retail Companies, 1928-35, Harvard University, Graduate School of Business Administration, Business Research Studies No. 17, p. 28. See also the same author's Executive Salaries and Bonus Plans (McGraw-Hill, New York; 1938), pp. 97, 244.

³ John Calhoun Baker, Executive Compensation, Dun's Review, November 1939, p. 22. Data secured from reports made to the Federal Trade Commission and the Securities and Exchange Commission.

⁴ Edward L. Thorndike and Burnham P. Beckwith, Salaries of Executives, The Personnel Journal, Mar. 1937, vol. 15, No. 9, pp. 312-320.

This bill does not provide for any increases at all in base rates with the exception of that group of employees whose work is of such a nature that they cannot work overtime. For these groups the bill provides for a 15 percent increase, which is in line with the Little Steel formula.

Mr. MANASCO. After April 1, when this bill goes into effect, what will be the additional cost?

Mr. FLEMMING. May I suggest you ask Mr. Young of the Bureau of the Budget, who is prepared to present those figures?

Mr. MANASCO. We will let him answer that.

Mr. FLEMMING. That is right.

Mr. MANASCO. One more question. You talked about turn-over, and that a lot of them left because of working conditions.

Mr. FLEMMING. That is right.

Mr. MANASCO. This is a very touchy question at the present time, of course, but I think the people should know something about it, if you have the information. I have had quite a few girls from my section of the country say that they left the Government service because of being ordered to work in offices and use the same rest rooms with people of other color. Of course, I realize that that is a very touchy question to bring up now, but have you made any investigation?

Mr. FLEMMING. No, sir; and I have no information to that effect.

Mr. MANASCO. But you have heard it outside of official channels, I presume.

Mr. FLEMMING. We have no information to that effect.

Mr. MANASCO. Have you ever issued any orders relative to employees on a percentage basis; for the people in the so-called minority groups?

Mr. FLEMMING. No, sir; we have no such orders.

Mr. MANASCO. And you are not allowed to have their pictures on the applications any more?

Mr. FLEMMING. We do not have pictures on the applications.

Mr. MANASCO. And, of course, the color of the applicant is not shown on there?

Mr. FLEMMING. That is correct.

Mr. MANASCO. That is all.

Mr. RANDOLPH. Mr. Gale.

Mr. GALE. I would just like to compliment Mr. Flemming on his presentation and on his testimony. I think it was excellent and very much to the point, and very much what we wanted to hear on this subject.

Mr. FLEMMING. Thank you very much.

Mr. RANDOLPH. Mr. Rees.

Mr. REES. What is the net increase now, let us say, in January, for instance? Is it getting a little higher, or lower, as to the number of employees. I am not talking about removals.

Mr. FLEMMING. I appreciate that, you refer to the net increase. We do not have the January figures available.

I can give you the figures for July through December. The net increase in July, for example, was 123,000. I am giving you just round figures.

Mr. REES. That is all right.

Mr. FLEMMING. In August, the net increase was 120,000. In September it was 98,000. In October it was 137,000. In November it was 52,000. In December it was 71,000.

So you can see that curve moves up and down rather sharply over that 6 months' period.

Mr. REES. Perhaps I was not listening, but do I understand that you are not in favor of the bill that is pending before the Post Office Committee, or do you want to express an opinion on that?

Mr. FLEMMING. I am perfectly willing to say that I am in complete accord with Mr. McReynolds' statement as to Post Office legislation. We feel that wherever the bill is handled, or by whatever committee, that the same basic principle should be applied to Postal employees that is being applied to other Government employees in this bill.

Mr. REES. You do not think a \$300 bonus is the way to handle it?

Mr. FLEMMING. That is correct.

Mr. RANDOLPH. I want you to develop, before you leave the stand, a point which, of course, you have covered, as well as Mr. McReynolds, but give us the background a little more clearly of the use of the 360 days as a divisor for the purpose of computing a day's pay.

Mr. FLEMMING. As I indicated, Mr. Chairman, the 360 apparently was arrived at by just arbitrarily saying: "We will assume a 30-day month, and multiply 30 by 12, which gives us 360," which, of course, as we appreciate, is unrealistic in the terms of the days that a person actually works.

Two hundred sixty was arrived at by assuming that you get your 40-hour week in 5 days, and then multiplying 5 days by 52 to give you 260.

Mr. REES. Is this correct? The reasoning is that Government employees are really paid on a monthly basis, and most people in industry—are paid on an hourly, or weekly, or daily basis? Isn't that the difference?

Mr. FLEMMING. Well, that is what gives rise to the confusion. There is no doubt about that.

Mr. REES. Yes.

Mr. FLEMMING. Except this; that since the coming in of the Fair Labor Standards Act, there are a good many per annum employees in industry who are subject to the overtime provision, and whose overtime would be computed on a straight overtime basis, as is being proposed here in this particular bill.

Mr. REES. I am not discussing the merits, but I think you will find only a comparatively few overtime employees paid on a monthly basis in industry; isn't that right?

Mr. FLEMMING. Well, what we might refer to as the white-collar workers are paid on a monthly basis, but at the same time many of them are subject to the provisions of the overtime pay act.

Mr. RANDOLPH. Mr. Flemming, while I was temporarily absent from the chair, I am not sure that the request was made that the table to which you referred in the colloquy with Mr. Rees be put in. That entire set-up I think would be very helpful as a part of the hearing.

Mr. FLEMMING. I will be glad to furnish it.

(The matter referred to follows:)

Reasons for separations from the departmental service—October, November, and December 1942

[Some departments did not submit reports]

		Percent
Total number of separations.....	16, 677	
To enter military service.....	4, 176	25
Transfers.....	2, 786	17
Retirements and deaths.....	349	2
Involuntary separations.....	888	5
All other reasons.....	8, 478	51

RESULTS OF EXIT INTERVIEWS

Total exit interviews.....	5, 973
Total employees retained.....	978
Percent retained of those interviewed.....	16. 4

REASONS FOR LEAVING EMPLOYMENT AS GIVEN IN EXIT INTERVIEWS

1. Housing facilities.....	0. 8
2. Transportation.....	1. 4
3. Other factors affecting living environment.....	8. 6
4. Insufficient work.....	0. 2
5. Working conditions.....	2. 3
6. Level of work (unsuited to ability).....	2. 9
7. Usefulness of work.....	3. 2
8. Salary.....	11. 1
9. Promotional prospects.....	8. 3
10. Poor health.....	11. 1
11. Marriage.....	3. 6
12. Maternity.....	1. 6
13. Other family reasons.....	10. 4
14. Return to school.....	6. 8
15. All other reasons.....	27. 7

Mr. RANDOLPH. Mr. Flemming, we appreciate your testimony and reaffirm, of course, what Mr. Gale said. Your presentation of the subject matter has been very helpful.

Mr. MANASCO. That change from the 360-day formula to the 260 would increase appreciably the amount of overtime cost, would it not?

Mr. FLEMMING. Yes; for the individual it gives him 10 percent more. Mr. Young undoubtedly will be in a position to give you some idea of that.

Mr. RANDOLPH. The leadership of the House has requested on more than one occasion that committees, sitting either in executive session or in open hearings, would not be occupied with the subject matter after the noon hour.

Now, it would be impossible for us to develop from our three witnesses the information we desire at this time. We could not, I am sure, even finish Mr. Edgar Young's direct testimony.

Mr. Young, as you know, is from the Bureau of the Budget. We are not drawing any difference between the previous witnesses and Mr. Young, having heard him before, and knowing the step-by-step manner in which he develops this subject, but, I believe it would be

utterly impossible to proceed with the hearing at this time. So, Mr. Young, if you will hold yourself in readiness for 10 o'clock tomorrow morning, why, we will resume at that time.

We had hoped to hear Mr. McReynolds and Mr. Flemming and Mr. Young this morning. We are running a bit behind time, and if we can get off to a little earlier start tomorrow morning, I think it would be a big help.

We will adjourn at this time.

(Whereupon, at 11:50 a. m., the hearing was adjourned until Thursday, February 25, 1943, at 10 a. m.)

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TEMPORARY ADDITIONAL COMPENSATION FOR CIVILIAN EMPLOYEES FOR THE DURATION OF THE WAR

THURSDAY, FEBRUARY 25, 1943

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON THE CIVIL SERVICE,
Washington, D. C.

The committee met pursuant to adjournment at 10 a. m., the Honorable Jennings Randolph, chairman of the subcommittee, presiding.

(The subcommittee continued its hearings on H. R. 1860.)

Mr. RANDOLPH. The subcommittee will resume its hearings on the subject of permanent legislation for the pay of Government employees.

We are delighted to have a former member of the committee with us this morning—Mrs. Rogers. I want her to be heard at this time in any way that she desires to present her material.

Mrs. ROGERS. Thank you very much, Mr. Chairman. I am very glad to be back. It makes me very homesick to be back in this room again. I enjoyed my service so much with the committee. I shall be very glad if you will allow me to file certain telegrams which endorse this bill and to give the subcommittee my own endorsement of the bill. I am very glad that yesterday Mr. Flemming and Mr. McReynolds recommended certain additions to the bill that would take in the people of smaller salary that under the provisions of the present bill could receive no increase.

I am going to the lend-lease hearing.

Mr. RANDOLPH. Thank you, Mrs. Rogers.

Mrs. ROGERS. Thank you very much, indeed.

Mr. RANDOLPH. Your telegrams will be made part of the record, without objection, and also, we are happy to have had you present.

(The telegrams and letter follow:)

[Telegram]

LOWELL, MASS., *February 23, 1943.*

EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.:

Lowell Central Labor Union requests you to appear Tuesday February 23, 1943, before the House Post Office Committee and express your views and urge the committee to give early and favorable consideration to H. R. 1366.

SYDNEY E. LEBOW,
Lowell Central Labor Union.

[Telegram]

LOWELL, MASS., *February 21, 1943.*

Hon. EDITH NOURSE ROGERS,
House Office Building.

The postal employees have received little or no benefit from the so-called overtime provision contained in Senate Joint Resolution 170 and the slight increase

received is for additional service to the public. Branch 25 requests you to appear Tuesday February 23, 1943, before the House Post Office Committee and wish you to express your views and urge the committee to give early and favorable consideration to H. R. 1366. Thanking you for past favors.

F. K. CASSIDY,
Recording Secretary, Branch 25.

NATIONAL ASSOCIATION OF LETTER CARRIERS,
Lawrence, Mass., February 21, 1943.

Hon. EDITH N. ROGERS,
House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: A hearing is to begin on February 23, by the House Post Office Committee on H. R. 1366. This bill provides for a bonus of \$300 for all postal employees for the duration of the war and for 6 months thereafter, unless Congress should change it at an earlier date.

In behalf of the eastern Massachusetts postal employees I ask you to please appear at this hearing and support H. R. 1366.

Respectfully yours,

JOHN J. WHEELER,
Secretary, Branch 212.

Mr. RANDOLPH. At this point in the record without objection I should like to include also a communication which I received yesterday from Representative Bland, of Virginia, in which he brings to the attention of the committee a certain situation which affects the technical men in the office of shipbuilding of the United States Navy at Newport News.

(The letter follows:)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, D. C., February 23, 1943.

Hon. JENNINGS RANDOLPH,
*Chairman, Subcommittee on Pay Raise Legislation,
Committee on Civil Service, House of Representatives.*

DEAR JENNINGS: I have received today a copy of letter written you on February 19, 1943, by Mr. William A. Fromm, of Newport News, Va., in behalf of certain technical men in the office of the Supervisor of Shipbuilding, U. S. Navy, requesting correction of certain discriminatory features of the pay raise bill.

I hope that the views expressed by Mr. Fromm may be very carefully considered and that any discriminatory features of this bill may be corrected.

I have previously had up with Representative Ramspeck the matter of increases in the pay of naval inspectors, and under date of December 3, 1942, the Civil Service Commission recommended to Mr. Ramspeck the enactment of legislation which would provide that—

Whenever the Civil Service Commission shall find that within the same Government organization and at the same location gross inequities exist, to such extent as to interfere with the prosecution of the war, between basic per annum rates of pay fixed for any class of positions under the Classification Act of 1923, as amended, and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is hereby empowered in order to correct or reduce such inequities, to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by the Classification Act of 1923, as amended, for the grade to which such class of positions is allocated under such act.

I hope that very careful consideration may be given by your committee to the legislation recommended by the Civil Service Commission.

Yours very sincerely,

S. O. BLAND.

STATEMENT OF EDGAR B. YOUNG, CHIEF ADMINISTRATIVE ANALYST, BUREAU OF THE BUDGET

Mr. RANDOLPH. Continuing our witnesses, we have today from the Bureau of the Budget, Edgar Young. I know those of us who have heard him before testify on legislation for Government employees,

will be happy to hear him on this subject. Mr. Young, if you will, take the stand.

Mr. YOUNG. My name is Edgar B. Young, chief administrative analyst of the Bureau of the Budget, and I am representing Mr. Harold D. Smith, the Director of the Bureau.

Mr. Chairman, before I proceed with general discussion of the legislation that is before the committee may I take occasion to speak with reference to the amendment proposed yesterday by Commissioner Flemming and referred to this morning by Representative Rogers.

The Bureau of the Budget would have no objection to favorable consideration of that amendment.

I think it may be of use to the committee to review very quickly certain of the objectives that were sought when the present temporary pay legislation was under consideration during the last session of the Congress, and to consider how and to what extent those objectives have been met in the administration of the current temporary pay bill. I suggest proceeding in that manner as a background for consideration of the problems that are before us in the consideration of current pay legislation.

I feel that, generally speaking, there were three objectives that all of us were seeking to attain in considering the pay legislation several months ago. We were faced with a cost-of-living problem and it was quite obvious that some method had to be adopted for increasing the earnings particularly of the low-paid Federal employees. Second, we were very conscious of the manpower situation and realized that it was imperative that any action taken in salary matters contribute in some way toward the conservation of manpower and toward the reduction of personnel. We had our eye on a longer workweek with the purpose of accomplishing the same or greater volume of work with a smaller number of people; and, third, we had a problem of very serious lack of uniformity in the treatment of various groups of Federal employees. You will recall that there was lack of uniformity within the same departments—certain employees in the War Department were getting one kind of overtime, others were getting a different but lower rate of overtime, and still other employees were getting none at all but doing similar kinds of work, often even in the same office. Similar conditions existed in the Navy Department. There was lack of uniformity between those two Departments and other departments and agencies of the Government, and there was lack of uniformity in the manner in which Government employees were treated particularly with respect to overtime pay and the policies of the Federal Government with respect to overtime pay for workers in private enterprise.

The temporary legislation which was approved December 22 and effective December 1 met most of those objectives. It left certain problems unsolved which are before us now for consideration.

With respect to increased earnings the temporary legislation brought about in fact an increase in the earnings of most employees amounting to 21.6 percent. That is the percentage increase which resulted from the application of the 48-hour week and the payment of overtime earnings under the formula prescribed by the legislation.

As to conservation of manpower, immediately upon the approval of the legislation the President issued a memorandum to the heads of all departments and agencies expressing his desire that they go

immediately onto a 48-hour workweek. In the same memorandum the President indicated his great concern for the conversion of the Government to a total-war basis and for the elimination of any excess personnel.

Mr. Chairman, at this point, if it is of interest to the committee, I think it might be appropriate for me to read certain excerpts from the President's memorandum to the heads of the departments, or to insert it in the record, whichever you prefer.

Mr. RANDOLPH. What is the pleasure of the committee?

Mr. REES. Put it in the record, because we have all seen it.

Mr. RANDOLPH. I believe that would save time.

Mr. YOUNG. I would be pleased to do that.

(The memorandum referred to follows:)

THE WHITE HOUSE,
Washington, December 22, 1942.

Memorandum to the heads of all departments and agencies in the Federal Government:

The passage by the Congress of the temporary war pay resolution, S. J. Res. 170, is a major step toward setting the Government personnel situation in order. For the employees it removes inequities and meets the rise in the cost of living by providing increased earnings for more work and longer hours. It also recognizes the acute manpower shortage and, as a wartime necessity, removes the peacetime luxury of the Saturday half holiday.

While Saturday thus becomes a full workday with a legal minimum of 7 hours in the departmental service, it is my desire that the head of each department and agency establish, upon my approval of the resolution, a general minimum work schedule of a 6-day, 48-hour week for both the departmental and field service. I realize that there may be certain necessary exceptions to this general practice in order to meet the needs of a peculiar work condition, but I am requesting that you report to the Director of the Bureau of the Budget all instances where regular hours of work are established at less than 48 per week.

For many departments and agencies the adoption of a 48-hour week will represent a 4-hour increase in the working schedule. Obviously this will permit reductions of personnel in some agencies and eliminate the necessity for filling vacant positions in others. I am expecting you to take immediate steps to bring about a reduction in your personnel requirements.

The legislation places an added responsibility on the executive departments and agencies to make full use of manpower, to dispense with every surplus employee, and to reduce personnel wherever possible. We will accept that responsibility and act accordingly.

The Federal Government must concentrate on one task—the winning of the war. At this time we must measure all Government activities against the grim standards of total war. Many activities, desirable in peacetimes, must be eliminated, provided only that such eliminations do not result in permanent harm to the future health and security of our individual citizens; many services must be provided at a reduced standard; all agencies—military and civilian—must take all necessary measures to organize their work for maximum efficiency. Although we have made great strides in converting the Government to an all-out war basis, I am not satisfied that we have exhausted all the possibilities.

I wish to be certain that we have stripped Government activities of every nonessential, that work in one agency is not being duplicated in another, that we are carrying on our work in the war and so-called nonwar agencies with an irreducible minimum of personnel fully employed, and that we are doing our job in the most effective and quickest way possible with only the absolute minimum of paper work or "red tape."

I am expecting you, with the help of your employees from the top to the bottom of your agency, to begin immediately a continuing review of your activities, to eliminate every nonvital service, to seize every opportunity for improving the speed and efficiency of your operations, and to conserve manpower, materials, and money.

The Director of the Bureau of the Budget and the Civil Service Commission have been instructed to assist you in every way possible. I desire that you report quarterly through the Director of the Bureau of the Budget the results of your

efforts. The Civil Service Commission, acting under the authority of Directive No. X of the Chairman of the War Manpower Commission, will transfer personnel who are not effectively utilized to positions where their services are needed.

FRANKLIN D. ROOSEVELT.

Mr. REES. What is the purpose?

Mr. YOUNG. To serve as an indication of the President's action immediately on the passage of the temporary legislation, his expressed desire that the Government adopt a uniform, general work schedule on a 6-day 48-hour week, and of his concern for a continuing and constant and vigorous attention to the manpower aspect of the problem.

Mr. RANDOLPH. Mr. Young, I think, although I would prefer, of course, to have you make your formal statement without interruption, but because of the manner in which you bring in the President's view upon this proposal, H. R. 1860, which, Mr. McReynolds, you will remember, said that he had cleared with the President, I would like for you to state to our committee what is the relationship of this proposed legislation to the national labor policy of the country.

Mr. YOUNG. I will be very glad to discuss that, Mr. Chairman. It is my understanding that those aspects of our national labor policy which are related to this legislation are first, the policy as expressed in the Fair Labor Standards Act, which provides for a basic workweek of 40 hours and for overtime compensation for work performed in excess of that basic workweek. The proposed legislation is wholly consistent with that policy. Secondly, our national labor policy with respect to hours is most accurately and recently expressed in Executive Order 9301, approved February 9, which indicates that "for the duration of the war, no plant, factory, or other place of employment shall be deemed to be making the most effective utilization of its manpower if the minimum workweek therein is less than 48 hours per week."

The Government service prior to the issuance of this order was generally on a 48-hour week and will continue to be so. It is important that the legislation now before this committee continue in some form the suspension of the Saturday half holiday law. Without the suspension of the Saturday half holiday law it is not feasible to go to a 6-day 48-hour week. A third segment of our national labor policy relates to the wage and salary stabilization order.

You will recall that pursuant to that order, the general principle was established that wages should not be adjusted upward in excess of 15 percent above the level existing prior to the war. In this proposed legislation, there is no change in the basic wage rates. We feel that that departure from the general labor policy is justifiable on the following ground. It can generally be accepted that prior to the war the pay rates for the lower-paid positions of the Federal service were generally speaking and through the country as a whole somewhat higher than the pay rates for comparable positions in industry.

We feel that the increase of earnings which results from the application of a 48-hour week and the payment of overtime compensation has brought about adequate increase of income to offset the rise in the cost of living and that it is not treating the Federal employees unfairly to consider that the cost-of-living situation can adequately be met through overtime compensation, rather than a change in basic pay rates. I think, Mr. Chairman, with mention of those three aspects

our labor policy I have indicated what I feel to be the relationship of this legislation to that.

Mr. RANDOLPH. At this point, since you have brought it to the attention of the committee, is there any questioning on this matter?

Mr. REES. From what you have suggested, you are attempting to comply with what is known as the Fair Labor Standards Act, is that correct? Is that what you mean?

Mr. YOUNG. We are accepting the Fair Labor Standards Act as the established policy of the Nation with respect to basic workweek and to compensation for employment in excess of the 40-hour basic workweek.

Mr. REES. As I understand it you are speaking for the Bureau of the Budget.

Mr. YOUNG. That is right.

Mr. REES. Which in turn is speaking for the President?

Mr. YOUNG. That is right.

Mr. REES. Because you have just said that the President is endorsing the things that you say, isn't that correct?

Mr. YOUNG. I have no authority to speak for the President in his attitude on this basic workweek for industry. I think it is perfectly fair to call attention to recent comments from the Director of Economic Stabilization, Justice Byrnes, in which he was reported in the press several days ago to have indicated a strong feeling that continuation of the basic workweek, the 40-hour workweek, with its overtime pay provisions, was much less disturbing to the whole wage structure of the country than would have been the departure from the 40-hour workweek and the consequent upward revision in wages that such a departure would inevitably have brought about.

Mr. REES. You are expressing the views of the administration on that particular feature of this bill, or do you feel that you are?

Mr. YOUNG. Yes, Mr. Rees, I think that is quite a fair statement.

Mr. REES. All right.

Mr. YOUNG. We are accepting the established Government policy on that subject, and are suggesting that that established policy should be applied in the pay legislation applicable to Federal employees.

Mr. REES. But you do depart here a little, do you not, in this bill, since this is the bill which you approve? And I am assuming that this bill was approved by you before it was brought to Congress—that is, in general terms.

Mr. YOUNG. That is right.

Mr. REES. It cleared through your office?

You have departed here though haven't you, as you have just suggested, by not only increasing the 15 percent salary for those who are not more able or have not the means to work more than 40 hours?

Mr. RANDOLPH. May I suggest without interrupting, Mr. Rees, after all, I know that we have an obligation to this committee of course to carry on the hearings, but we do know that there is a reading public which will follow the work of this committee, and I find the reporters straining their ears to hear the conversation, so I wonder if we can lift our voices a little.

Mr. REES. I was not talking particularly to the reporters.

Mr. RANDOLPH. I tried to make it clear that we are trying to conduct the hearings, but there is a reading public that is interested, and we want it reported correctly.

Mr. REES. That is right and they should be interested.

Mr. RANDOLPH. I see them listening, and I see them straining their ears. I know it will help us all.

Mr. REES. I will be glad to take care of that.

Under the terms of this bill you are advocating or approving an increase of 15 percent for those employees who are not in a position to work more than 48 hours a week?

Mr. YOUNG. The terms of this bill would apply a bonus of 15 percent above their base pay. Those employees under the terms of the temporary pay legislation have been getting 10 percent. Now, the 15 does not go on top of the 10, it relates to their base salary. For example, an employee who got \$100 a month would under the terms of the temporary legislation then receive \$110; under the terms of the proposed bill, he would receive \$115 a month.

Mr. REES. But you also advocate an increase of 30 percent pay for 20 percent more time employed, do you not?

Mr. YOUNG. Which results from the application of the time-and-a-half principle to the 48-hour workweek.

Mr. REES. That is right. That is the way you work that out?

Mr. YOUNG. That is right.

Mr. REES. Now, you are not in favor of just suspending the 40-hour week and making it 48 hours and paying for 48 hours whatever the services are worth, are you?

Mr. YOUNG. No.

Mr. REES. And the reason is because I assume it does not conform with the National Fair Labor Standards Act, is that correct?

Mr. YOUNG. That plus a second reason I would like to cite. There are in the Federal Government various groups of employees but for the purposes of this legislation let us consider them in two groups: first, in a trades and labor group, those kinds of workers who are in navy yards, arsenals, and similar establishments, where their wage rates are fixed by wage boards and adjusted from time to time to correspond with prevailing rates in the localities. The statute under which those wage rates are adjusted from time to time provides that those employees shall be paid time and one-half for all work in excess of 40 hours a week. That has been the practice for many years and conforms to the practice in industry.

A second group of Federal employees are those whose wages are fixed by statute. The largest single group of those are those whose wages or salaries are fixed by the Classification Act. In many instances those kinds of employees are working in the same shop or in the same office, and in the same locality, with employees whose wages are fixed on the other basis. If we go back into the legislative history of this whole overtime situation, during the war period, you will recall that the first overtime compensation bill which was applicable to employees other than the trades-and-labor group was in a bill reported by the Naval Affairs Committee and it was limited in its application to certain occupational groups in the navy yards where employees were working right alongside employees in the trades-and-labor group. As we got into the defense program hours in navy yards and arsenals were lengthened, one group of employees had longer hours and increased earnings as a result of that, the other group of employees until the enactment of that temporary or limited legislation that was applicable to the Navy Department could not receive any increase in earnings although they were required to work the same length of time

and were under the same working conditions as the other group employees.

Mr. REES. Now, I just want your opinion. As I understand you, you do not think during this war period we ought to change that and put the whole thing on a 48-hour basis, do you? I am just trying to get the expression of your opinion on it.

Mr. YOUNG. I think not, Mr. Rees, for this reason. I am not contending at all that during a war period we should maintain a penalty idea for overtime.

Mr. REES. That is the point I want to discuss for a moment.

Mr. YOUNG. But the facts are that as we got into the defense program and into the war program we had a 40-hour-week law and an overtime law on the statute books. The hours of work in defense plants and in the Government and war production establishments were lengthened. The employees in those establishments began to get an increase in earnings resulting from that law. That had become a very widely established pattern. Any departure from that pattern at this time means a pay cut, an earnings cut.

Mr. REES. I did not have that in mind.

Mr. YOUNG. Yes, but any change from the basic 40-hour week would have that result—and in my own opinion, and in published statements of the Director of Economic Stabilization, that is perhaps the most convincing reason for maintaining through the war period the 40-hour basic week and the overtime-pay provisions.

So far as the Government employees are concerned I think we have to take the position that the treatment of the Federal employees should be in accord with whatever the national labor policy is.

Mr. McMILLAN. Explain to the subcommittee how this bill would affect the employees of the legislative branch and other people on other salaries whose expenses have gone up equally with the other people.

Mr. YOUNG. The bill as before the committee would provide for 15-percent increase above the basic pay rates for those employees of the legislative branch. You will recall that yesterday Commissioner Flemming suggested an amendment which would place employees of the Library of Congress, the Architect of the Capitol, and the Botanic Garden, in the overtime pay provisions.

I assume that those establishments either are or will shortly go to a 48-hour week, and if that be the case, it would seem reasonable that the same pay arrangements should apply to their employees as apply to executive branch employees. I think it is probably also true that employees in offices of the Members of Congress generally do not work at a very regular schedule and the application of overtime to that group would be difficult and the bonus proposition is a more feasible way to deal with the rise in cost of living for those employees.

Mr. REES. Then when we talk about the 30-percent increase for 20 percent more time that does not mean anything except an adjustment in pay, isn't that about it?

Mr. YOUNG. I think that is very true, Mr. Rees.

Mr. REES. In other words, it is just a means of attempting to increase their pay where they might be in line with other salaries; is that about the story?

Mr. YOUNG. Provided we include in that generalization the concept that we have lengthened the workweek, we are getting 20 percent more work with corresponding reductions in numbers of employees required

to do the job, and we are getting the increased earnings as the result of applying the overtime pay principle to that longer work schedule.

Mr. REES. Is it your judgment that we are having a reduction in the number of our employees? Have you noticed it at all so far, as far as we have gone?

Mr. YOUNG. Well, I think Commissioner Flemming's testimony yesterday to the effect that in the departmental service there was a net loss of 57 during the month of December may be the beginning of a trend.

Mr. REES. Out of a good many?

Mr. YOUNG. Out of a good many; but it is significant that it is the month that it did not increase.

Mr. McMILLAN (acting chairman). Does anybody else have any questions before he proceeds?

Mr. REES. I did not mean to interrupt the witness.

Mr. MANASCO. I would like to ask Mr. Young a question.

You stated a while ago, Mr. Young, that the amendment suggested yesterday by Commissioner Flemming, which is in the bill introduced by Mrs. Rogers, is in accordance with the program of the President. Is that correct? I may have misunderstood.

Mr. YOUNG. That is right.

Mr. MANASCO. That is one thing I have been wanting to find out. For a long time I have noticed that these bills that are introduced in Congress must be referred to the head of whatever department they apply to, and then, in the last paragraph of the report it says, "This has been submitted to the Bureau of the Budget, and it is in accord (or not in accordance) with the program of the President." You do not mean by that that the President goes over every bill. It is really in accordance with the views of the Bureau of the Budget, isn't it? Isn't that the true interpretation?

Mr. YOUNG. What actually happens is that the head of the department or agency who wishes to present his views on any legislation to a committee in the Congress submits his proposed report to the Director of the Budget for advice as to its relationship to the administrative and fiscal program of the President.

Mr. MANASCO. And of course, the President never sees it?

Mr. YOUNG. On matters of major policy the President is consulted. You can appreciate that the Director of the Budget sees the President frequently and takes up with the President questions of major policy which might be before the Director and his staff in acting upon individual reports which come from the various agencies. The Bureau of the Budget functions in that as it does in other aspects as a staff arm of the President.

Mr. MANASCO. In other words, we can assume then from that statement that the President is opposed in principle to the suspension of the 40-hour week during the present emergency?

Mr. YOUNG. I cannot permit my comment on that to go that far. The President has indicated in Executive Order 9301 approved February 9, 1943, that 40-hour week work schedules must be suspended and that a minimum of 48 hours work is to be the general standard during the war period. The maintenance of the 40-hour basic week provision of the Fair Labor Standards Act presents solely a question of method and amount of compensation and does not restrict the actual number of working hours.

Mr. MANASCO. I mean though if this program is in accord with the views of the President, being opposed to the extension of the 40-hour week for Government employees, that means that the President has already expressed a view on that?

Mr. YOUNG. Well, I think I must bring it back to this point. So far as the application of the basic 40-hour principle in this bill is concerned, the question before the Budget Bureau is one of conformity with the established law, the existing law.

Mr. MANASCO. I know, but if the existing laws were changed, that would not be in accordance with the views of the President, would it?

Mr. REES. Certainly not.

Mr. YOUNG. I cannot speak for the President on the wages and hours law.

Mr. MANASCO. But the Bureau of the Budget can speak for him on one proposition, and cannot, I take it, on the other, that is what I am trying to find out.

Mr. YOUNG. I have already expressed what I understand to be the principal objection during the war period to any modification of that basic principle—practical objections to any modification.

Mr. MANASCO. I am wondering if the Director of the Bureau of the Budget has discussed with the President the effect of this bill on demands from labor in general in private industry.

Mr. YOUNG. Yes; I know that was discussed when Mr. McReynolds took this bill up with the President.

Mr. MANASCO. You do not think when we start raising the wages of fellows who were making over \$2,900 a year that that will cause any demands from employees in similar jobs in private industry?

Mr. YOUNG. We are not raising the wages.

Mr. MANASCO. I mean we are raising his income. It all amounts to the same thing.

Mr. YOUNG. And the establishment of a 48-hour week through industry will do the same thing under existing law.

Mr. MANASCO. It will raise the income. After all, that is your wages—the income in a year.

Mr. YOUNG. That is right.

Mr. MANASCO. You could make \$100 in a day and if you only worked 1 day a year your income would only be \$100 a year.

Mr. YOUNG. It is the earnings level which is very much more important in this.

Mr. MANASCO. And that is the level which causes inflation, isn't it?

Mr. YOUNG. Yes, sir.

Mr. MANASCO. In other words, if we are to say that a man worked 70 hours a week and for every hour over 40 hours he got triple time, that would inflate the wage?

Mr. YOUNG. It would increase the earnings and it would result in added dollars available for spending. But in 70 hours, also more work would be done than in 40 hours.

Mr. MANASCO. So the administration's answer to the curbing of inflation is to raise the wages in one place and place a price ceiling on farm products, and then subsidize the producers. Is that the administration's way of heading off inflation?

Mr. YOUNG. I am really not a competent person to answer that kind of question.

Mr. MANASCO. I mean, the Bureau of the Budget seems to speak for the President on all matters of national policy.

Mr. YOUNG. There are others in the Bureau of the Budget who are far more competent than I to deal with that question. The most I can do is to attempt to reflect what I understand to be their views.

Mr. MANASCO. I would like to have that in the record, if you can get it from the Bureau of the Budget.

Mr. RANDOLPH. Mr. Young, any material that you could get, will you put in the record, on this, other than what you have just said?

Mr. YOUNG. Yes, sir. It is the administration's policy, as I understand it, to stabilize the wage rates prevailing on September 15, 1942, and to permit increases only if such increases are necessary to correct maladjustments or inequalities, to eliminate substandards of living, and to correct gross inequities. As I said before, the present proposal for the salary and overtime provision for Government employees aims at eliminating maladjustments and inequities. The administration certainly does not favor a general wage rise and does not recommend subsidies for making up for a general wage rise.

So far as increases in earnings through overtime compensation for longer hours of work are concerned, the administration policy and the policy of the Congress, as reaffirmed in the amendment to the Emergency Price Control Act (Public Law 729, 77th Cong.) is as follows:

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, * * *

Mr. MANASCO. That question will come up on the floor of the House when we bring this bill up.

Mr. YOUNG. I thoroughly understand your point in raising the question.

Mr. MANASCO. I am not opposed to the bill but there are going to be a lot of people opposed to it on that very ground, and I think we need the answer to help defend ourselves when we get to the floor.

Mr. YOUNG. I think we have to recognize this so-called Little Steel formula was enunciated by the War Labor Board in an industry which does not by the very nature of their work schedules involve overtime. The War Labor Board has consistently in its application of the wage and salary stabilization program applied the 15 percent principle to basic rates of pay and has not imposed any limit on increased earnings through overtime.

Mr. MANASCO. Of course, a coal loader could not load any more coal in 20 hours than he could in 8. He would become physically exhausted in 8 hours; but we need some answers to the inflation problem because that is going to be brought up and this bill won't have such easy sailing in the House as some of us think.

Mr. RANDOLPH. I think on that subject, and of course it may not have a direct bearing on your vote of this legislation, but since the matter has been raised on inflation, I, without being a carping critic, am firmly of the belief that the administration has failed to keep in balance the pay and the prices and the profits which were necessary to head off inflation.

Mr. MANASCO. They are all interlocked, interlinked.

Mr. RANDOLPH. Yes, sir; I feel we should have dealt with the whole problem and caused a stabilization to take effect, which would have come about through the passage of the Kerr amendment which I supported in Congress.

Mr. REES. That is true.

Mr. MANASCO. We talk about curbing inflation and keeping prices down, when we increase the wages of everybody in the United States, and the prices of commodities we buy must go up or we must be paid some kind of subsidy by the Government, which means we are paying it through taxes, and it will cost a lot more to levy and collect taxes than it does to withhold at the source.

Mr. REES. I am interested in the statement, also, that we are not increasing the wages but we are increasing the income. You make a difference there, do you not?

Mr. YOUNG. I am following the same distinction that has been followed in all of the actions of the War Labor Board.

Mr. REES. It seems strange though, I do not see how you are going to get that over to the public or hardly anyone else, to say that we are not increasing the wages of Government employees under the terms of this bill. If we pay for 40 hours a week a certain salary, and then pay time and a half for 8 more hours or whatever the extension may be, it seems to me that we are increasing the man's wages. I am not saying we should not, but it just seems to me that is exactly what we are doing.

Mr. YOUNG. There is no question but that your analysis is correct. The paying of time and a half increases his earnings. He is working 20 percent longer time.

Mr. REES. And he gets under this bill 30 percent more money, for that difference.

Mr. YOUNG. He gets 30 percent more money for the 20 percent more time, there is no question about that.

Mr. MANASCO. Mr. Rees, right along that line, according to some of our high administration heads, that excess must be syphoned off by taxation, or a withholding tax, to prevent inflation.

Mr. REES. Do I understand you to say we should not increase their salaries. As a matter of fact, they are enjoying an increase in wages or salaries, whatever you want to call it, but it seems to me it is a rather queer statement that we are not really increasing the wages of these individuals under the terms of this bill.

Mr. YOUNG. May I clarify that in this way, Mr. Rees? Take an employee whose monthly pay, by way of illustration, is \$100 a month; suppose he has remained in his same job. Under the existing temporary pay legislation his income is at the present time increased to \$121.60. Under this pending legislation it would be further increased to \$130. Now, take a similar employee in private enterprise.

Mr. RANDOLPH. Now, is that because of the divisor used?

Mr. YOUNG. That is right, because of the change in the concept of a day's pay. Take a similar employee in private enterprise and assuming he remained in the same job and that the War Labor Board's 15-percent formula applied and that his work hours had been extended from 40 to 48, that same employee would have had a 15-percent increase in his pay, which would have brought it to \$115, and he would have received overtime earnings on that amount which would have brought it up to in excess of \$145.

Mr. REES. So that as I suggested a moment ago, what you are trying to do is to sort of follow the Little Steel formula in this bill?

Mr. YOUNG. Yes; but we are departing from the Little Steel formula in our suggestion that no increase in the rate of pay is necessary for the Federal employees.

Mr. REES. Well, one more thing, since you are representing the Bureau of the Budget and since as you say you speak for the administration, which is the President after all, you are not as I understand it in favor of a straight bonus for a postal increase of \$300 a year or whatever the bonus might be but rather in favor of a straight 15-percent bonus as provided by this bill; is that right?

Mr. YOUNG. That is right, but the 15-percent bonus should in our judgment apply only to those groups of employees whose hours of work cannot be lengthened.

Mr. REES. Is it not understood that most postal employees are included in that group?

Mr. YOUNG. On the contrary, there are very large numbers, principally of clerks and carriers, who before the war were on a 5-day week and whose hours of work have been lengthened to a 6-day week and whose earnings are thereby increased through the overtime pay provision, and it is our view that the postal employees of that category just like other employees whose hours of work have been lengthened ought to receive their increased earnings through the overtime compensation without any additional compensation or change in their base pay.

Mr. REES. It is your view that the postal employees' hours may be increased more than we were given to understand; is that correct?

Mr. YOUNG. It is my understanding that by order of the Postmaster General the hours of duty have been set at 48 for all postal employees except those particular groups such as rural carriers, railway-mail clerks, and special-delivery messengers, and others whose hours obviously are not susceptible of extension; it is my understanding that the entire Postal Service has been placed on a 48-hour week.

Mr. KILBURN. May I ask a question?

Mr. RANDOLPH. Yes, sir.

Mr. KILBURN. I understand this interruption is to get the views, through you, of the President and the Bureau of the Budget. Theoretically, under this bill, if a department had a thousand employees and they wanted to do just the same work and they put them on a 48-hour week, then they could get along with 800 employees and do just the same work, and those 800 would receive net 10 percent more than the 1,000 were getting before?

Mr. YOUNG. That is right.

Mr. KILBURN. Thirty percent?

Mr. YOUNG. I am glad you say "theoretically" because necessarily that theory applies only where you have a mass-production operation.

Mr. KILBURN. Yes. Now, does the President and does the Bureau of the Budget feel that in this legislation through the enactment of this overtime clause that we should cut to the bone all the unnecessary employees in all the bureaus?

Mr. YOUNG. Absolutely.

Mr. RANDOLPH. Mr. Gale.

Mr. GALE. I was a little late in getting here, perhaps you covered this, Mr. Young, but is there an estimate of the increased cost of these provisions in this bill if enacted, the increased cost to the Government?

Mr. YOUNG. Yes; there is. I shall be glad to submit it either now or later. I think I might digress to bring in the cost estimate at this stage. The added cost over and above the overtime compensation which is paid under the existing temporary legislation we estimate to

be approximately \$277,000,000, assuming the application of the principles of this bill to the Postal Service.

Mr. MANASCO. That is over and above the present overtime pay bill that we have in existence up to the 1st of May?

Mr. YOUNG. That is right.

Mr. RANDOLPH. The 1st of May.

Mr. YOUNG. The changes involved in the legislation now before this committee would, we estimate it, involve approximately \$265,000,000. The bonus—

Mr. GALE. Excuse me, but in figuring that did you figure cutting down on the number of employees?

Mr. YOUNG. There will be an offset to that figure of an amount yet to be determined. I want if I may, Mr. Chairman, to have opportunity to discuss with the committee the action the Bureau is taking under section 2 of the temporary legislation which pertains to the reduction of Government employees, and the results of that action. The determinations under that section have not yet been made and are in process at the present time so it is impossible to predict how much of a cut will result, but there will be an offset to this cost. This is a liberal estimate.

Mr. REES. How much have we increased the cost under our other bill?

Mr. YOUNG. The gross cost without any offset from reduced personnel at all—

Mr. REES. Well, we only reduced it 50 percent. Go ahead.

Mr. YOUNG. It was \$360,000,000 approximately. Assuming the postal employees are not covered in this bill, the total additional cost would be approximately \$239,000,000.

Mr. MANASCO. Oh, that brings the difference again. Now, assuming the postal employees are included, how much would that be? We have about 200,000 postal employees.

Mr. YOUNG. It will add another 8.5 million by way of the increased cost of the bonus, if applied to postal employees.

Mr. MANASCO. Well, it would add more than that, would it not?

Mr. YOUNG. It will add an additional \$30,000,000 by reason of the increased overtime if the postal employees are included in this same bill.

Mr. MANASCO. Do your figures show how much is added to changing the formula in the old bill providing for the overtime or bonus and the salaries under \$5,000, \$4,600—I have forgotten what the figure was, but, now, where we are putting it?

Mr. YOUNG. You mean by that eliminating the \$5,000 ceiling?

Mr. MANASCO. Yes.

Mr. YOUNG. We estimate there will be approximately 18,000 employees who would be brought under the provisions of this bill if the \$5,000 ceiling is eliminated and if overtime is paid on the first \$2,900 of their salary. That will be at the rate of \$870, per employee, with the consequent addition of \$15,660,000.

Mr. REES. It will take \$16,000,000 to take care of these that are getting more than \$5,000 a year under the terms of this bill?

Mr. YOUNG. \$15,660,000.

Mr. GALE. May I ask just one more question?

Mr. YOUNG. Surely.

Mr. GALE. Just as a guess—I know that you haven't got figures on this, but just as a guess—what is your estimate of the number of employees that may be reduced due to the increase in the workweek to 48 hours?

Mr. YOUNG. I am sorry, I cannot give the committee any estimate of that today. I do want to indicate, and can do it, if you wish, at this time, what the Bureau has done in connection with the section 2 of the bill ordering or providing for orders in reducing personnel.

Mr. RANDOLPH. I think that should come at this time.

Mr. YOUNG. Immediately after the approval of the bill by the President, the Director of the Budget issued a budget circular designated as circular 408 to the heads of all departments and agencies on the general subject of Program to Save Manpower in Government Agencies. The circular referred to the mandate given by the Congress in section 2 of the Senate Joint Resolution 170. It referred also in the statement of the President's desire that we strip the Government service of all nonessentials and be sure that the work of one agency is not being duplicated in another. It inaugurated what we understood will be a continuing program and not a one-time program. The departments and agencies were asked to supply answers to 15 questions which would indicate not only the numbers of their employees and their justification for the numbers but what action they had already taken and proposed to take with respect to simplifying procedures, eliminating functions, eliminating duplication, and reducing personnel generally.

Mr. MANASCO. Right on that line, before you proceed, it is my understanding that a supervisor, or some executive official, before he is entitled to a salary raise or promotion, must have under our set-up a certain number of employees under him, is that the practice?

Mr. YOUNG. I think that is an erroneous impression, but one which is very widely held.

Mr. MANASCO. Well, it is pretty widely held, and I have heard of some cases where the head of a section had 130 employees under him, another fellow, the head of a section doing the same kind of work, eliminated 40 employees. He did not get his promotion, and the man with 130 got a promotion and pay raise. The man that was promoting efficiency in the Government did not get a promotion because he did not have enough people under him.

Mr. YOUNG. I think that if Mr. Baruch, the Chief of the Classification Division of the Civil Service Commission, were here, he would tell you that the number of employees supervised in a section is very properly one, but only one, of the factors that enter into the determination of the level of responsibility and the importance of the duties on the job.

Mr. MANASCO. Do we in any of the Government agencies offer any inducement for the head of a department to promote efficiency and reduce employees?

Mr. YOUNG. I think this misconception that is very widely held and that you have just expressed is probably one of the strongest and one of the worst, may I use the word, "decentive" to reduction of personnel. It is a misconception. Case after case will prove that the grade of the position does not depend primarily upon the number of employees.

Mr. MANASCO. Isn't that opinion general among the supervisors?

Mr. YOUNG. It has been very widely held. I recall that some months ago the Secretary of the Navy in embarking on his program to reduce personnel in the Navy Department indicated and guaranteed to his employees that no supervisor's grade would be reduced by reason of the reduction of the number of employees in his unit.

Mr. MANASCO. Has that been carried through the other departments?

Mr. YOUNG. The Civil Service Commission has made that general policy known. Commissioner Flemming in various public utterances has indicated it. I think it is not by any means completely accepted. I think considerably more needs to be done to drive home the point that the number of employees is not the primary determinant of grade, and to increase the number of employees is certainly not the only way to get a promotion in the Federal Government.

Mr. RANDOLPH. Mr. Young, I think it is important that you bring to the attention of the committee primarily what has been the result of the request of the President to the agencies of Government. It has now been 2 months since the request was made. As I recall the memorandum was sent on December 24 to the Government agencies asking them for conservation of manpower. What has actually been accomplished in the 60 days?

Mr. YOUNG. Again I cannot give the committee today a definite and concrete answer. I can tell you of what has been done by way of procedure and where we are headed. The departments and agencies had, under the terms of the temporary pay law, 30 days in which to reply. Those replies were generally in the hands of the Bureau of the Budget by the 22d of January. Those replies were obviously very voluminous and the job of analyzing them is a big job.

Mr. RANDOLPH. Can you estimate when this picture can be brought clearly to the attention of Congress? Because that question is going to be very, very much in the mind of the membership in the consideration of this legislation, bearing in mind now the fact that 2 months have elapsed since the President asked specifically for this conservation.

Mr. YOUNG. The final determinations of numbers of employees to be reduced in any agencies are currently being developed. Several of them will, I think, within several days be ready for issuance to the agencies involved. It will be a continuing process. They will not all come out at once. As rapidly as findings can be made by the Director of the Bureau of the Budget as to the maximum numbers of employees in any agency the agency concerned will be notified.

Mr. REES. Well, right there, we want to make sure that when we discuss the number of reductions there are that it includes a lot of other gadgets that we do not need during this war effort.

Mr. YOUNG. That is very important to the whole program.

Mr. REES. You could reduce the employment in many of these agencies if they have a mind to, in my opinion, by getting rid of a lot of services we do not have to have in this crisis. That ought to be taken into consideration along with the proposal of people working longer hours in these services, I think.

Mr. YOUNG. The program of the President and of the Bureau for saving manpower involves the 48-hour week only as one and a relatively a minor point. Much greater savings are to be anticipated through elimination or postponement of functions, through elimination of duplicating activities in various agencies. The 48-hour week is

obviously applicable to produce savings in personnel in any large mass operation, mass repetitive operation, where the extension of the number of hours means that there is so much more time to get out production and you can anticipate an increase in production corresponding to the increase of the number of hours.

Mr. KILBURN. That would cut down the employees by 20 percent mechanically there.

Mr. YOUNG. That is right. But you must bear in mind that for almost a year the agencies had been on a 44-hour week, so that extension to 48 hours meant only a 9 percent further increase. But the number of places where that can be applied is generally limited to these big mass operations. You take a unit of 6 or 8 or 10 people, the extension of hours may not result in the elimination of a whole person. Take many kinds of activities which are not of production nature, not repetitive operations, and the extension of hours may mean that a better job will be done, but the reduction of personnel under those kinds of conditions cannot be proportionate to the increase in hours.

Mr. REES. Then you are not very optimistic according to that statement as to the number of personnel that may be reduced, generally speaking, throughout the Government?

Mr. YOUNG. Well, I am speaking at the moment only about the application of the 48-hour week. I think there will be substantial—I am sorry I cannot indicate to the committee how much, but I think there will be substantial reduction by reason of the 48-hour week, but I would point out also that many of the places where the biggest mass operations occur are in the War and the Navy Departments, which were prior to the enactment of the temporary legislation already on a 48-hour week, and there is no reduction in those instances by reason of the increased hours. The reduction in personnel by reason of increased hours is limited to those agencies of the Government other than the War and Navy Departments.

Mr. KILBURN. I do not think there would be any opposition to this bill at all if the Members of Congress felt that they had cut out all the unnecessary employees, that by going on the overtime you cut that down 20 percent in the places where you can; you would find no opposition.

Mr. YOUNG. I am very sure we shall, if you want, make known to the Congress the results that are achieved in this program. It will be a continuing program, and I think, Mr. Chairman, it is appropriate at this point in our discussion for me to introduce an amendment which the Bureau thinks would make this provision for reduction of personnel more workable. At the present time you will recognize that the authority of the Bureau to order of reductions expires on April 30. The notices which go to the departments and agencies with respect to the determination of the number of their employees will indicate the maximum number of employees to which they must be reduced by April 30. We cannot under existing legislations order any reduction to occur after that date. It would appear that that authority ought to be continued and that the program for reduction be extended over a period of months. In some instances the Bureau has found opportunities for reduction that would occur after April 30, so that there is that point, and certain others, which I would like to discuss in connection with a proposed amendment to section 7 of the bill before this committee.

We suggest that section 7 be reworded as follows:

SECTION 7. The heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this Act, shall present to the Director of the Bureau of the Budget such information as he shall from time to time require for the purpose of determining the number of employees required for the proper and efficient exercise of the functions of their respective departments and agencies. The Director shall from time to time determine the number of employees so required and any personnel of any such department or agency in excess thereof shall be released at such times as the Director shall order. Sections 2 and 3 of this Act shall cease to be applicable to the employees of the agency affected unless the head thereof shall certify within thirty days of the effective date so prescribed by the Director that the number of employees of his agency does not exceed the number determined by the Director to be required for the proper and efficient exercise of its functions. Any determinations and directions made by the Director under the authority of Public Law 821, Seventy-seventh Congress, are hereby continued in effect until modified by him. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section whose services are needed in and can be effectively utilized by such other departments or agencies.

Mr. MANASCO. Isn't that a duplication of some of the work of the Civil Service Commission?

Mr. YOUNG. No, sir; I think not.

Mr. MANASCO. I mean, aren't we building up in the Bureau of the Budget a bureau with functions that should be performed by the Civil Service Commission?

Mr. YOUNG. I think the number of employees to perform any activity is necessarily a direct byproduct of the budgeting process.

Mr. MANASCO. But shouldn't the Civil Service Commission have authority when an agency requisitions a certain number of employees to find out whether those employees were needed?

Mr. REES. Putting it another way, isn't it supposed to do that now?

Mr. MANASCO. So this would be a duplication of work which should be handled by the Civil Service Commission.

Mr. REES. It is expected that they are to do it, at the present time.

Mr. YOUNG. In my judgment the Civil Service Commission should not make that kind of determination. The number of employees needed to carry on a given function by government needs to be determined, not on personnel considerations but on the basis of the kind of program the agency has to perform, on the basis of the funds available for performance of that program. It is essentially a budgetary process.

Mr. RANDOLPH. I agree with you. The Civil Service Commission is asked to supply a certain number of employees by an agency. Now that agency was not inaugurated by the Civil Service Commission, nor its functions set up by that Commission.

Mr. MANASCO. But the Bureau of the Budget is an arm of the executive department, and if the head of an executive department has the ear of the White House, or is in favor at the White House, and decides he wants 10,000,000 employees, the Bureau of the Budget, is not going to say "You can't have a million."

Mr. RANDOLPH. I am in agreement with you, Mr. Manasco, that someone should have the function designated of checking the need for the employees requested, but I do not believe it is the Civil Service Commission, or that it should be lodged there.

Mr. MANASCO. My position is that you would not want the person or the agency, as the Bureau of the Budget is supposed to be, the

arm of the executive department, to decide whether or not those employees are needed.

Mr. KILBURN. Whom would you have decide that?

Mr. MANASCO. The Civil Service Commission, an independent agency.

Mr. KILBURN. I agree with the chairman. It doesn't seem to me the Civil Service Commission should decide.

Mr. YOUNG. May I suggest, the Civil Service Commission is essentially the personnel agency of the Government. It is its job to keep the Government staffed and to carry out other personnel functions. The Civil Service Commission doesn't have in its possession detailed information as to the programs and activities of the various departments and agencies. The head of a department presents his program to the Congress through the Bureau of the Budget and the President. Congress reviews the proposed program of a department as it is presented to the Congress through the President's budget. The Bureau of the Budget is the only agency which has on its staff persons whose job it is to know the program, the objective, the financial and personnel needs of those agencies. The Civil Service Commission, while not organizationally within the Executive Office of the President, is of course an agency within the executive branch and is responsive to policies of the administration in the same manner as is any other agency or department of the Federal Government.

Mr. KILBURN. Well, of course, the House would be over even the Bureau of the Budget, under the appropriation.

Mr. YOUNG. Always. The proposed appropriations act naturally comes to the Congress for final determination, through the Bureau of the Budget, and through the President. But the procedure suggested in this is merely a slight modification from the procedure embodied in section 2 of the existing temporary pay legislation and proposed in section 7 of the bill before this committee.

The differences between the text in the proposed bill and the text I have suggested are, first, that this would provide that these determinations should be made from time to time without setting a rigid schedule. There is a very practical reason for that. A month's time is a minimum for the agencies to prepare their reports and the detailed information that is needed to make the kinds of determinations required by this authority. A month is probably too short for an adequate review of those reports and for making a finding with respect to all of the departments and agencies of the Government.

If the Budget Bureau is to perform this function we should like to stagger it over the year and have reports coming in at various dates through the year from various departments so that we do not have to deal with the entire Federal Government as of a particular date. Also, this procedure would recognize that the determination of the numbers of employees is a natural byproduct of the budget process, which in turn goes back to the analysis of proposed programs and proposed activities of the agency.

There is continuously through the year attention within the Bureau of the Budget to the personnel needs of the agencies. This proposed section would continue the Bureau's authority to make these determinations with respect to the maximum numbers and would enable those determinations to be made at any time during the fiscal year.

Mr. RANDOLPH. Don't you think, Carter, that this proposal, this amendment from the Bureau of the Budget, is really attempting to do what you want, and I am sure, all of us want, and that is, to actually go into the matter of the number of personnel and the type of function that that personnel is carrying forward? In other words, such an amendment appears to me on the face to be salutary and toward the desired end that we all want to accomplish, and that is, no duplication, no overlapping, efficiency of government, and certainly a limitation of personnel, because today that is not lodged anywhere in the Government. It is splattered all over the picture.

Mr. MANASCO. I do not see where localizing it in the Bureau of the Budget would help. If they submit a budget estimate to Congress they want the full amount.

Mr. RANDOLPH. They are not getting it.

Mr. MANASCO. Well, I know they are not.

Mr. McMILLAN. I think our appropriations committee should pay more attention, itself.

Mr. MANASCO. Well, they cannot pay more attention. They do not have the machinery with which to pay more attention.

Mr. RANDOLPH. I am only pointing out. I believe we are beginning here to recognize the need for putting a finger on some of the sore spots of government. Now, we do not have it, and at least it is an approach, and I am glad the committee will have this amendment [to consider.

Mr. MANASCO. I say, some office, or bureau; but I do not think it should be in the executive arm of the Government.

Mr. RANDOLPH. Of course the Congress is either going to appropriate or withhold appropriations when a request is made.

Mr. KILBURN. The House is over the Bureau of the Budget.

Mr. MANASCO. We have no way of knowing how many employees you can eliminate.

Mr. REES. It has always been a problem, and it is worse than ever now.

Mr. RANDOLPH. Mr. Young, without interruptions, and with any other amendments that you desire to present, in completing your statement, how long do you think it will take, sir?

Mr. YOUNG. I think I can complete my comments within, oh, 7 or 8 minutes.

Mr. RANDOLPH. The reason I say that is, I have made a commitment to a certain gentleman who is to appear, who has to leave the city, and I have to accommodate him. Go ahead.

Mr. YOUNG. I should like to discuss next certain other amendments which the Bureau of the Budget would like to place before the committee.

We concur, as I have already indicated, with the amendments as suggested for your consideration yesterday by Commissioner Flemming.

We would suggest that the committee reverse the order of sections 7 and 8 of the bill. Section 8 as written pertains to regulations of the Civil Service Commission with reference to the administration of the overtime-pay features. I think it is evident from the discussion we have just had that the regulations of the Commission should not apply to that part of the bill which would pertain to the reduction of personnel, and if that transposition of sections is made, in line 7 on page 5, we would suggest deleting the word "provisions" and inserting "the foregoing sections of this act," so that the regulatory section

would apply to the overtime-bonus features of the act but would not apply to the personnel reduction section.

Then I should like to call the attention of the committee to one other amendment which Commissioner Flemming tells me that he inadvertently neglected to mention in his testimony yesterday. You may recall that the Commissioner referred to the problem that has arisen in the relationship between the rates of pay for mechanics in navy yards and for inspectors where the normal line of promotion heretofore has been from the mechanic to the inspector position, and under the flexibility of pay provisions for the mechanic's wages which are fixed by wage boards, they have now risen to a point that in some instances the employee, if he gets promoted to the inspector job, actually takes a reduction in pay.

The Bureau of the Budget would have no objection to consideration of the following additional section, which it is my understanding the Civil Service Commission would consider highly desirable, and which I am also advised that the War and Navy Departments consider is desirable.

Mr. KILBURN. Where would this go?

Mr. MANASCO. An additional section.

Mr. YOUNG. It would be an additional section. It could appropriately go before section 4. It could be a new section 4 after the existing section 3:

Whenever the Civil Service Commission shall find that within the same Government organization and at the same location gross inequities exist to such an extent as to interfere with the prosecution of the war, between basic per annum rates of pay fixed for any class of positions under the Classification Act of 1923, as amended, and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authorities serving the same purpose, the Commission is hereby empowered in order to correct or reduce such inequities to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by the Classification Act of 1923 as amended for the grade to which such class of positions is allocated under such act.

The effect of that section if adopted would be that the Civil Service Commission could take action with respect to a class of positions, as for example the inspector class. If the normal allocation of that position was to a classification grade CAF-7, the entrance rate of pay would be \$2,600 for that position. The Classification Act provides a range of pay from \$2,600 to \$3,200 for that grade, and the effect of this provision would be, under the conditions cited, that the Civil Service Commission could establish a higher entrance rate for that particular class of position at any salary step within that grade—\$2,700, \$2,800, \$2,900—and at whatever level it needed to eliminate the inequity that has resulted from the fact that the pay rates for the mechanics and the laborers have risen, and the pay rates for the classification act have remained static. The text of this section was worked out originally in Senate bill 2913 of the Seventy-seventh Congress, and it appeared in section 4 of that bill.

Mr. GALE. Mr. Young, would that apply to the stenographic employment of the departments as well, or would that be limited to an arsenal?

Mr. YOUNG. As written it could not apply to stenographic personnel. It could apply only to a situation where there was a comparison between a kind of work in which the pay was fixed by the Classification Act and other similar kind of work in which the wage was fixed by the Wage Board procedure.

Then, Mr. Chairman, we have mentioned the relationship of this legislation to postal legislation. I want to indicate that the Bureau of the Budget feels precisely as Mr. McReynolds indicated yesterday, namely, that the problem of whether postal legislation should be dealt with in an omnibus bill handled by the Civil Service Committee, or by separate legislation, is one that is obviously outside our province, and we are expressing no views on it.

However, we do feel very keenly in the same manner that Mr. McReynolds expressed to you yesterday that the same principles and policies should apply to pay legislation for the postal employees as do apply to other employees, and I can leave with the committee a statement indicating the position of the Bureau with respect to pending legislation for postal employees. It merely amplifies that generalization.

Mr. RANDOLPH. Without objection, we will include that statement as part of your testimony.

(The statement referred to is as follows:)

STATEMENT INDICATING THE POSITION OF THE BUREAU OF THE BUDGET WITH RESPECT TO PENDING LEGISLATION AFFECTING THE SALARY OF FEDERAL EMPLOYEES, PARTICULARLY THOSE IN THE POSTAL SERVICE

When similar legislation was under consideration by the Seventy-seventh Congress the position of this Bureau and the President was consistently as follows:

1. Pay legislation for Federal employees should treat all groups equitably and any preferential treatment for postal employees or other special groups was opposed.

2. The manpower situation in the country requires that more effective utilization be made of the personnel already in the Federal Government. As one means of achieving this it was felt that the hours of duty of all employees should be lengthened to a general standard of 48 per week. The purpose of such action was of course to accomplish the same volume of work with a smaller number of employees. This general policy has since been confirmed and strengthened by the issuance of Executive Order No. 9301.

3. Those employees whose hours of duty were lengthened should be paid overtime compensation at time and one-half rates for work in excess of 40 hours in any administrative workweek. On the basis of the formula contained in Senate Joint Resolution 170 (the temporary overtime pay bill) wherein a day's pay is computed by dividing the annual salary rate by 360, the increased earnings which employees receive for a 48-hour week amount to 21.6 percent of their basic salary.

If, as proposed in the pending bill, S. 635, the divisor for computing a day's pay were 260 (or 2,080 for computing an hour's pay) the increase in compensation above the base pay would be 30 percent. This Bureau has advocated the "2,080 formula" in order that actual time and one-half compensation would be paid, that the treatment of Federal employees in the matter of overtime would correspond to the policies of the Federal Government with respect to the employees of private industry, that the policies for the payment of overtime compensation to Federal employees whose wages are fixed on the prevailing rate principle by action of wage boards, and to those employees whose rates of pay are fixed by law, would be the same.

4. The increase in earnings which results from overtime compensation should be adequate to meet the rise in the cost of living, and no further increase by way of bonus or adjustment in basic pay rate would be warranted.

5. Those employees the nature of whose work or method of payment is such that the payment of overtime compensation is not feasible, should be given a percentage increase as an offset to the rise in the cost of living. We would not be opposed to a 15-percent increase which is the amount proposed in S. 635 and which would correspond to the formula of the War Labor Board.

6. We would oppose any extension of the principle of paying a bonus to other employees whose work is such that their hours of duty can be lengthened, and consequently, their earnings be increased by overtime compensation. An extension of the bonus principle to one group such as clerks and carriers in the Postal

Service would represent preferential treatment for that group over other groups of Federal employees.

To summarize, our position is that all employees whose work is such that their hours of duty can be lengthened should obtain their increased earnings through overtime compensation and that bonus payments should be granted only to such employees as are performing work which cannot be shifted to a longer work schedule. Postal clerks and carriers, previously on a 5-day week, perform a type of operation which is very readily shifted to a 6-day-week basis with consequent saving of manpower.

In accordance with the principles set forth in this statement, we are opposed to S. 360 which would provide a \$300 bonus for all postal employees, but we would favor the application to the Postal Service of the same principles as are embodied in S. 635 or H. R. 1860, that is, actual time and one-half payments for overtime and a 15-percent bonus for those employees whose work is such that their hours cannot be lengthened.

Whether or not these principles should be applied to the Postal Service through separate legislation dealing only with the Postal Service or through the so-called omnibus legislation dealing with all Federal employees is unimportant to this office.

Mr. YOUNG. Then if I may, Mr. Chairman, I would like to call attention to one final thing. The situation presented to this committee at this time seems to me could be met in two possible courses of action. One would be consideration of minimum changes in existing pay legislation to meet the dead line represented by the expiration date of the present pay legislation; and I take it it is that course of action that we have been considering in the hearings yesterday and today.

Mention was made yesterday of the possibilities of a more far-reaching and more general approach to pay legislations. I would like to suggest the thought that while the dead line of April 30, the expiration date of the present temporary legislation, must necessarily be met and can probably be met only by a minimum number of changes and extensions of the existing pay situation, there are numerous aspects of the whole legislative situation affecting the pay of Federal employees that in our judgment do need very much more careful and critical and extended study, and I hope the way will be opened after the disposition of this immediate problem for the appropriate committees to continue their consideration of pay legislation.

Mr. RANDOLPH. Mr. Rees proposed yesterday, while other witnesses were on the stand, that this was the time to do an over-all job—or was it Mr. Gale? Mr. Gale I believe; yes, sir; and I am glad to hear you say that the subject should demand immediate study.

Mr. YOUNG. I think it would be inappropriate to delay the consideration of this immediate pay problem to try to solve some of the much more far-reaching problems, but certainly the time is ripe for a very thorough-going review of our entire pay structure in the Federal Government.

Mr. Chairman, that concludes my general remarks.

Mr. RANDOLPH. Mr. Jackson, you have not been here all the while. If there is some special question in your mind covering the testimony yesterday or today, I would like to have you given the opportunity now to inquire.

Mr. JACKSON. I do not have anything at this time, Mr. Chairman.

Mr. KILBURN. May I ask Mr. Young just one question?

Mr. RANDOLPH. Well.

Mr. KILBURN. On this proposed amendment to section 7, or rewriting section 7, does that have the approval of the Civil Service Commission? Do they object to that?

Mr. YOUNG. No; the Civil Service Commission is in accord with that rewriting.

Mr. RANDOLPH. Mr. Rees.

Mr. REES. Now as I understand you, Mr. Young, you feel that the present temporary bill is inadequate and did not increase the salaries or, as you call it, the income of our Federal workers, enough, is that correct?

Mr. YOUNG. That is right, but I would urge change in the formula for the calculation of a day's pay on one additional and equally important ground. By this 360-day formula we are paying nominal time and a half, which is actually only slightly above straight time. Federal employees are not getting time and one half on the present basis. They are getting a fraction above straight time.

Mr. KILBURN. It is between 21 and 30 percent?

Mr. YOUNG. That is right.

Mr. KILBURN. That is the difference?

Mr. YOUNG. That is the difference; and in addition to the factor of increased earnings I think the problem of inequality of treatment of Federal employees is still important and has not been fully met by this formula.

Mr. Chairman, I did neglect one other thing I should have mentioned in the consideration of amendments. The proposed formula is—

That for the purposes of computing overtime pay a day's pay shall be equal to one two-hundred-and-sixtieth of the annual salary.

That implies 52 5-day weeks. I can see no reason why the question of a 5-day week should be introduced into this subject at this time. The same result would be achieved if the formula were a direct conversion of the annual salary rate into an hourly salary rate, and if it were computed on the basis of 52 40-hour weeks, and the bill provided that for purposes of computing overtime compensation an hour's pay should be equal to one two-thousand-and-eightieth of the annual salary, the result would be precisely the same in dollars of income to the employees. It would avoid an implication of approval at this time of a 5-day week, which is an issue that is not germane to the current consideration.

Mr. REES. I know the chairman wants to move along, but there are two points I would like to bring up, since you represent the Budget, and, in turn, represent the administration, the President, in this matter. One of them is this, that there has been a considerable amount of discussion about what is known as "absenteeism" in war industry, a lot of it. I just wondered if it wouldn't be a pretty good idea to look into the question of absenteeism in the Federal Government. What do you think about that?

Mr. YOUNG. I think it would be a very useful thing to look into.

Mr. REES. And don't you think that it is just as important to look into it right at home, while looking into it in other places?

Mr. YOUNG. I think it is fully important that absenteeism be cut down. Absenteeism that results from illness, accidents, or any other cause, is just as much a loss in manpower as excess personnel employed in an agency.

Mr. REES. And, following with one more suggestion the, President and rightly so, has appealed to industry and to industrial workers on a patriotic ground to get out the material, and they ought to do it, and to get busy and realize and appreciate that we are trying to prosecute

the war. Then again we have over the radio an appeal to the farmers, the producers of this country, on a patriotic basis. What do you think about a little appeal to the Federal workers, or do you think perhaps they don't need it as much as farmers do?

Mr. YOUNG. I think they need it every bit as much, and the suggestion is an excellent one.

Mr. REES. Nothing is being done about it at all, is there, not a bit, not one line on the radio or the newspapers, or by any statement by representatives of the administration along those lines. Don't you think that would have a salutary effect?

Mr. YOUNG. Very much so. I think it is a very constructive suggestion.

Mr. RANDOLPH. Just at that point I would like to say that absenteeism runs through the structure of our whole society. I read the Congressional Record daily and I see where we have roll-call votes, and we have between 60 and 100 Members not answering to the roll call.

Mr. KILBURN. Most of them are Democrats. [Laughter.]

Mr. RANDOLPH. I am not saying who they are. There is certainly absenteeism on Capitol Hill on roll call, and just who would look into that I am not sure.

Mr. REES. It might be a good idea to follow that up, too.

Mr. RANDOLPH. I think Mr. Young's testimony is helpful, and I think the questions directed to Mr. Young by the members of the committee are of a type which will make these hearings profitable for the consideration of the full committee. Particularly do I concur in the thought of Mr. Rees that absenteeism, wherever it exists, certainly has a bad effect upon the war effort, and I think your agreement with him, Mr. Young, that the Government workers should be encouraged to be on the job, shows that at least your statement indicates that thought should be given immediately to an appeal of that kind.

Mr. REES. It is opportune, I should think.

Mr. YOUNG. Thank you, sir.

STATEMENT OF CHARLES I. STENGLE, LEGISLATIVE REPRESENTATIVE, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES (AMERICAN FEDERATION OF LABOR)

Mr. RANDOLPH. Colonel Stengle, if you will come to the chair, now.

Mr. REES. Is he the man that is going out of town?

Mr. RANDOLPH. Yes, sir. I do not know why he is leaving, he is always around here on Capitol Hill, we like to see him. We hope he will return very quickly.

Colonel Stengle, if you will, give your full name, and the organization which you represent.

Mr. STENGLE. The name is Charles I. Stengle, legislative representative of the American Federation of Government Employees, which body is affiliated to the American Federation of Labor.

Mr. Chairman, I want first of all to begin at the tail end. I have heard a very distinct and direct charge here that there is a lot of absenteeism among Government employees. It ought to be remembered that Government employees have a certain limited amount of vacation leave which has been cut down for the duration of this war.

They also have sick leave. Outside of that, any leave they take they pay for, and very few of them can afford to pay for any time off.

Now there may be remote cases here and there, but as compared with other activities, Brother Rees, there isn't a more time-serving organization in this world than the employees of the Government of the United States. They have to be on time, before the door shuts. They can only get a half an hour for lunch, which I wouldn't want to take and keep my health in bad shape. They go out at a certain time. They have to travel long distances going and coming, owing to the peculiarities of the situation. They are a faithful set of men and women, and I want this record to show that that is my consistent and my instant and my personal observation of the Government employees of the United States.

MR. REES. I think nobody questions their faithfulness at all, but there is a considerable amount of discussion to the effect that there is a good deal of absenteeism among Government employees.

MR. STENGLE. I have never seen it, and I have been around here 20 years.

MR. REES. But if there is we ought to know about it; if there isn't, we ought to know that.

MR. STENGLE. One other matter before I get on this bill. Congressman Gale brought up a matter yesterday that is very near and dear to my heart. For 2 years I have been discussing with Mr. Baruch of the Civil Service Commission the necessity, the absolute necessity, for reclassification of the CAF's of the Government service. You would be amazed at the differentiations that have been brought about by special statutes. You would be amazed when I tell you that that classification was away back in 1923 when duties were not exactly as they are now, but they have had to creep their way along and get around obstacles as best they could, when they ought to have had a reclassification certainly within the last 2 or 3 years, and I think that you started something yesterday, because I immediately went to Mr. Baruch, who sat over here on your left, and told him that you had put your finger on a spot that he well knew we were trying hard to get, and he said, "We are now trying to get some set-up to begin that study."

Now, Mr. Chairman, the American Federation of Government Employees is in favor of H. R. 1860 in principle, but there are certain suggestions that I should like to make. As you know, having been a colleague of some of you heretofore, I talk frankly to these committees because I know the position that you have to take in solving this problem. We heard a lot yesterday, we heard some this morning, about the Fair Labor Standards Act, about the Little Steel formula, and that there was a desire on the part of the Government as expressed through their representatives here to correct the inequities and to bring about a sort of complete agreement on all this overtime work and this compensation.

Now as a matter of fact the War Labor Board laid down a formula for the Little Steel, that they referred to yesterday, and the very first thing they did was to establish a basic pay, and if that did not come up to 15 percent more than the cost of living had produced, they were authorized to bring it up. We have got nothing like that in this bill. Some of these poor people here have had the same base pay since 1923-24. The high cost of living has arrived. It is going fast.

Why could not this committee as a pioneer establish a "little steel formula" at the very beginning of this bill and bring the base pay up to meet the existing high cost of living, then from there go on with your bill?

Now there is another feature here that I want particularly to call to your attention, and I refer to the bottom of the first section. You see certain exceptions there, and under (d) you have exceptions, "officers and employees in the field service of the Post Office Department."

I want to suggest an amendment to that, by adding after the word "department", "other than those in the custodial service". Now, I will give you my reason for that. First of all, I represent that group and I know something about their manner of living and how hard it is to get along. They are in these resolutions 821. They get time and a half for overtime. With this exception in here they are thrown out, and while they are compelled to work 48 hours, they get no time and a half, and those people run anywhere from \$1,200—well, not higher than \$1,800, and they certainly need overtime pay just as much as anybody else. I want to ask you to amend that by adding those words to that section, "other than those in the custodial service".

MR. REES. Let me interrupt you. Do you mean that this bill does not include custodial services?

MR. STENGLE. It does not.

MR. REES. Didn't we include that in our last bill?

MR. STENGLE. Yes, you did; but do you know what has happened?

MR. REES. I would like to know.

MR. STENGLE. All right, the Comptroller General has had two rulings recently, and I got these from the Department only day before yesterday. He rules first that when you speak of the "Postal Service" they are not in it, but if you speak of the "field service of the Post Office Department" they are in it. Now, you have excepted them by this act here and make them go elsewhere to look for an increase or overtime pay.

MR. REES. I do not think that was the intention.

MR. STENGLE. I do not, either, but that is the ruling of the Comptroller General, and this is a saving clause to bring them in.

MR. KILBURN. Wouldn't they get 15 percent?

MR. STENGLE. No, sir. They work a 48-hour week and they get time and a half above 40 hours. Now this \$2,900 per annum has always been a funny question to me. I do not know how they arrived at that particular figure. That was like that "one three-hundred-and-sixtieth," that disturbed us a long while, and then they found out about it. It was 12 times 30. I suppose \$2,900 is 29 times 100—I don't know.

MR. REES. Oh, yes, you do.

MR. STENGLE. How?

MR. REES. You know, do you not? I thought you explained to me that they arrived at this one three-hundred-and-sixtieth on the ground that these people were paid on a monthly basis.

MR. STENGLE. No; somebody else told you that, but that is what it is. That is how they arrived at it. Now, the one two-hundred-and-sixtieth is an honest time and a half for overtime bill. One three-hundred-and-sixtieth is practically 1.1 times a day's work and is unfair to them.

Now, I notice you erased that \$5,000 ceiling, and I am glad you did. There are in the Navy Department, as my friend Alifas, who represents a large number of them, will tell you, there are a lot of experts over there. I do not mean these book experts, I mean actual experts on whom you depend to get out these jobs and this matériel, and those men when you put that \$5,000 limit as you had it in the last bill, lose about one-half of what they had been getting prior to that resolution.

Mr. REES. One-half of what—men?

Mr. STENGLE. No; they lose one-half of the compensation they got under the act of 1940.

Mr. STENGLE. This is no new legislation, Brother Rees. This is the fifth time I have been around before committees looking for overtime pay, even away back in 1940, in the Navy, in the War Department, and Panama Canal.

We have had three or four shots, or “shocks,” of these resolutions to carry us over.

I want to make one more suggestion.

Mr. REES. Right there——

Mr. STENGLE. Yes.

Mr. REES. You speak about this group that will be almost penalized if we do not increase it above \$5,000.

Mr. STENGLE. They will be.

Mr. REES. What you mean by that is that those men draw a considerable amount of overtime pay at the present, isn't that it?

Mr. STENGLE. Yes, yes; but under the existing resolution they do not get as much almost by half as they got under the act of 1940.

Mr. REES. In other words, a man whose base pay is \$4,000 a year would get presently without this, \$6,000, we will say, and here we cut him down to \$5,000, isn't that about it?

Mr. STENGLE. Yes. Well, that is practically so, but that is not the exact figure.

Mr. REES. Yes.

Mr. STENGLE. Now, there is one other thing I wanted to mention here, and that is in section 9:

This act shall take effect on May 1, 1943, and shall terminate on June 30, 1945, or at such earlier date—

and so forth.

Don't you think it would be wise to make this for the duration and 6 months thereafter, and not have constant committee hearings or continuation resolutions? That is what is intended by this date, but we do not know when the war is going to end. If it does not end by that time we will have to come back and ask you to help us again, so I want to suggest that you make that “for the duration and 6 months thereafter.”

Now, I believe, Mr. Chairman, outside of those, I want to read a letter to a Congressman, a copy of which I have, which carries out the point of view that I had a moment ago. This letter comes from Admiral Fisher, a well-known man before this committee. He is in charge of shore establishments of the Navy Department. He is asked by a Member of Congress to help out on this bill, and this Member of Congress received this reply yesterday, and he gave me a copy. Admiral Fisher, at the conclusion of his letter, setting forth first of all that he favored the legislation, said:

I shall be more than glad at any time to assist you in any possible way.

Now, I want you to listen—

* * * and to correct the inequities that have been gradually building up during the past 7 or 8 years in regard to the relation between the salaries of the Government per annum workers compared with the wages of its wage earners.

Now there is a real trouble there, and this bill properly worded will clear that whole situation.

Mr. Chairman, I want to thank you for putting me on this early, as I have to leave town, and I should be very glad at any time to help this committee, if they want my suggestions.

Mr. REES. Just one observation, Mr. Stengle. Now you have acted in your present capacity for a number of years, and prior to that you were a Member of the Congress?

Mr. STENGLE. Yes.

Mr. REES. Of course at the beginning of your discussion you brought out the inequity or the difference in the base pay or the pay to those outside the Government with those in the Government. Isn't this a problem or a thing to think about, however, that it is so much easier—I might say the method is different—for raising or lowering wages outside the Government than in the Government?

In other words, it takes quite a while to make the adjustment. There was a time just within the short period I have been in Congress when thousands and thousands of people throughout this country were anxious and wanting to get jobs in the Government; that is, positions in the Government were more desirable, paid better wages, or more opportunities were presented than outside. Now then, the pendulum has swung, and it has gone to the extreme the other way; but as you said, away back in 1923 or whenever it was that an adjustment was made, for several years thereafter the governmental positions were sought after and, really on a comparative basis, jobs in the Government were really better than those on the outside. Isn't that, generally speaking, true?

Mr. STENGLE. Practically correct, but the same rule—not to be facetious—

Mr. REES. No; I am not wanting to be facetious.

Mr. STENGLE. The same would apply to a Member of Congress, and I will tell you why, if you will let me. Back there in 1923 you were having a half dozen or a dozen fellows barking at your heels to get your job away from you. Today with the new tax law coming on top of you as it will and with your campaign expenses you cannot live on your present pay, so there is now no great demand for the job of Congressman that there used to be.

Mr. REES. Oh, I have got some very high-class fellows out in my district who would be glad to have my job.

Mr. KILBURN. You do not know my district.

Mr. STENGLE. Now I want to say this to Brother Rees. You spoke about that happening back there about 1923. Only recently and in the last 10 years or thereabouts wage boards in the Navy Department hiked up base pay, and they get time and a half on that. What we want you to do and what we requested you was to hike us up on the other and give us the overtime pay on that. It costs just as much for a stenographer to live as it would for some mechanic to live, in these times.

Mr. REES. Oh, I appreciate your position, but I am just discussing the general picture.

Mr. STENGLE. Well.

Mr. RANDOLPH. Are there any other questions? We appreciate, Mr. Stengle, your appearance before the committee. You are always helpful to us in the consideration of legislation.

We now have the pleasure of hearing Luther C. Steward, the president of the National Federation of Federal Employees.

STATEMENT OF LUTHER C. STEWARD, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. STEWARD. Mr. Chairman and gentlemen of the committee, we favor H. R. 1860 as an application of the principle of equal treatment by the Federal Government of its civilian employees, in respect of one aspect of personnel administration, and that is, rates for overtime.

It should be emphasized at the outset that any talk or any discussion as to whether the legislative proposal which you are considering puts Federal employees in a preferential position or disturbs the economic equilibrium of wage earners throughout the United States is based upon a misapprehension of actual conditions.

Mr. REES. Could I interrupt you, there? Is there any charge to that effect before this committee?

Mr. STEWARD. It has been freely discussed as to whether or not this is to put Federal employees out and above and so disturb the set-up as to cause other groups outside Federal employees to seek increases.

Mr. REES. Oh. I see.

Mr. STEWARD. The application of the Fair Labor Standards Act, the application of the so-called Little Steel formula by the War Labor Board, and announcements and directives by the Director of Economic Stabilization, are all predicated upon increases in base pay, since a date fixed early in 1941, with the generally recognized and accepted actual time and a half for work performed in excess of 40 hours.

Not only have civilian employees of the Federal Government received no increase in base pay since 1941 or for a number of years prior to that time but a large proportion, estimated at some 40 percent of the civilian Federal employees, are not receiving actual time and a half for work performed in excess of 40 hours per week.

That brings into the picture, as has been repeatedly stated by previous witnesses, a conflict and loss of efficiency and disturbance of morale and an incentive to seek work outside the Government in order to obtain what is now regularly obtainable, and that is work with pay at full time and a half for overtime in excess of 40 hours per week. The bill which you are considering at the present time seeks to do only one thing—to clear up the overtime situation, to add, as has been described, something to the actual earnings of those employees to whom an overtime schedule could practically apply, but also to bring up to a level with the large majority of wage earners both in and out of the Federal service equal treatment as to overtime compensation.

There are certain very beneficial, as yet somewhat indefinite, results to be obtained from this in the way of redistribution of manpower within the Federal service in order to get the best possible results from the use of that manpower in furtherance of our national war effort. There are certain things which have come up since

Public, 821, was enacted which were clearly not within the congressional intent. There are certain small groups—altogether those that are disclosed amount to only a few hundreds—whose work cannot be measured so as to make a practical proposition of their working overtime, amongst others some 250 customs storekeepers, certain civilian employees at the Naval Academy at Annapolis, certain employees at the marine base at San Diego. There may be other small groups. They have received no benefit whatsoever from Public, 821, and therefore the amendment offered by Commissioner Flemming yesterday to grant authority to heads of departments with the approval of the Civil Service Commission upon showing that the application of overtime work schedules to such groups of employees is not practicable to bring them within the alternative benefit of 15 percent.

MR. REES. I am not sure I followed you. You say you want them to receive 15-percent increase; is that correct?

MR. STEWARD. We strongly advocate the acceptance of the amendment submitted yesterday by Commissioner Flemming. There is one point in the bill, while it is an improvement over Public, 821, and that is by not fixing an absolute maximum of \$5,000, beyond which no one can benefit, now, with the present wording of the bill before you, it permits the payment of overtime on \$2,900 of the employees' salary regardless of the total basic pay with a few stated exceptions.

We feel very definitely that there should be no ceiling fixed. If an employee, regardless of the salary bracket to which such employee is allocated, is required to work overtime we cannot see how in justice such an employee can be deprived of the benefits of such overtime service on a full basis.

It must be borne in mind that people in the so-called higher salaried brackets by reason of their normal financial commitments find it more difficult readily and rapidly to adjust themselves to a shrinking purchasing power and are the group which are among those hardest hit in times of inflation or of rapidly rising prices, so we feel there should certainly, if full justice were done, be no ceiling on overtime in the bill and that a very minimum below which we feel it would not be a decent recognition of a real problem, that employees should at least, regardless of the salary received, be allowed to receive overtime on \$5,000 of their salaries.

As I have indicated, H. R. 1860 does not purport to be a complete solution of the Federal personnel problems. It is intended to level off, to provide equal treatment in one area in the interest of the Government as an employer as well as adding to the earnings of the employees affected by it. As the committees of Congress must be working on a time schedule in order to secure the enactment of some legislation to replace the temporary legislation which will expire on April 30 we feel that the general study of the pay picture in the Federal service, important as it is—and its importance cannot be overestimated—should not be attached or become a part of this proposal because it can only serve to delay the emergency treatment which must be accorded in this particular field, otherwise the efficient operation of the Government will seriously be impeded. In view of the suggestions made by members of this committee, in view of suggestions made by the witnesses yesterday and by Mr. Young today, that that study be undertaken, stressing its importance, it should be undertaken but it should not in our judgment be entangled with the present bill, which is purely emergency legislation.

Mr. REES. I am not disputing so much your proposition that there ought to be an increase for these higher paid people but I am affected a little bit by your statement that it is not "decent" not to increase the wages of these employees who get more than \$5,000, because they are expected to do more work. Let us put it in another way: Assuming we should increase that on the ground you suggested, that they need it for living, that is all right, but at the same time I still think that any man who gets four or five or six thousand dollars a year ought to be glad and willing to put in a little extra effort or a little more time on the job in this crisis.

Mr. STEWARD. They are, and do, Mr. Rees.

Mr. REES. I think they ought to feel that way about it, so I do not think the "decency" part of it amounts to so much as the question as to whether or not as you say we ought to increase it because of higher cost of living and the need for more money.

Mr. STEWARD. I will be glad to bring out my point on decency, Mr. Rees. It is a rather notorious fact that the keymen and women of the Federal service are at the present time in great demand in private industry.

Mr. REES. Of course that is one of the things that brings this problem before us.

Mr. STEWARD. Not only a very definite feeling of pride in present Federal work causes them to stay on the job frequently at smaller salaries, but steps have even been suggested to freeze them on jobs, when there are persons doing identical work in the private field who are receiving more, and to that point I direct my statement as to decency of practically freezing them, appealing to their patriotism, and then denying something approximating the rewards which they could readily receive now in some other field of activity.

Mr. REES. I have no criticism as to that but I do feel they ought to be willing and anxious at this crucial time to render as much service as they can.

Mr. STEWARD. Just one final word. The importance of the amendment offered by Mr. Young to permit some little adjustment as between those categories of employees who are on an annual basis but who are coming in constant contact and touch with those whose pay is more flexibly adjusted by wage boards is a bottleneck in our war production agencies, as has been described, because the actual promotion must be based on qualification, and efficiency must result, in many cases, in an actually decreased earning. That is an intolerable situation that is seriously affecting our war effort.

It is not our function to touch on the jurisdiction of committees, but whatever this committee does, having in mind what has been going on in another committee of the house, in regard to overtime or compensation matters, custodial employees who while under the jurisdiction of the Fourth Assistant Postmaster General are not postal employees in any real sense should not be overlooked, and should this committee decide to enlarge the coverage of the bill before you, by all means they should be taken into consideration and given equal treatment with all other categories.

Mr. REES. Do you want to express your views with reference to the manner in which we could deal with the postal employees who work on a 48-hour basis?

Mr. STEWARD. If the committee so decides postal employees can be added to the bill under consideration in the same manner as they are handled in Public Law 821.

Mr. RANDOLPH. Are there any other questions? Are there any questions by any member of the committee? If not, you have a statement you desire to place in the record on behalf of another gentleman?

Mr. STEWARD. I have. Mr. McMahon, of the Postal Supervisors, requested me to file that with the committee.

Mr. RANDOLPH. Without objection, it will follow your statement. We appreciate your presence.

STATEMENT OF JOHN A. McMAHON, FIRST VICE PRESIDENT, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Mr. McMAHON. My name is John A. McMahon, of Boston, Mass., and I represent the National Association of Postal Supervisors in the position of first vice president.

The group I represent gives its endorsement to H. R. 1860 introduced by Congressman Jennings Randolph and now before this committee. This bill covers the situation involving the payment of overtime to the per annum officers and employees of the Government, except those in the postal field service, and provides for 15 percent additional compensation to those whose compensation is based upon other than a time period basis, or whose hours of duty are intermittent, irregular, or less than full time.

We recommend that provisions be made to include in this bill the officers and employees in the field service of the Post Office Department.

However, this association protests the restrictive ceilings of \$2,900 that are included in sections 2 and 3 of the bill, for we believe there is no justification for such restriction.

In the Postal Service, it is only after long years of service that a few officials attain salary grades above \$2,900, and it might interest the members of the committee to know that in all the post offices in the United States, and there are 43,000 of them, there is not one assistant postmaster or any other postal supervisor who receives a salary of \$5,000 per annum.

Therefore, in justice to the small number of postal supervisors, who, after making the service their life's work, have received positions with annual salaries of \$2,900 up to \$4,900 (and there are only two in this latter grade), we protest the un-American principle of applying a ceiling, which indicates to an executive that he is worth a certain salary on 5 days in the week but on the 6th day he is worth much less.

We sincerely request that all restrictive ceilings be eliminated and the bill amended to include officers and employees in the field service of the Post Office Department.

We thank you for this opportunity you have afforded us to present our views.

Mr. RANDOLPH. Thank you.

The committee will resume these hearings tomorrow morning at the same hour, 10 o'clock.

(Whereupon, at 12 m., the committee adjourned until tomorrow, Friday, February 26, 1943, at 10 a. m.)

TEMPORARY ADDITIONAL COMPENSATION FOR CIVILIAN EMPLOYEES FOR THE DURATION OF THE WAR

FRIDAY, FEBRUARY 26, 1943

SUBCOMMITTEE OF THE COMMITTEE ON THE CIVIL SERVICE,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10 a. m., the Honorable Jennings Randolph, chairman of the subcommittee, presiding.

(The subcommittee continued its hearings on H. R. 1860.)

Mr. RANDOLPH. We will resume the hearings on the pay legislation for Federal employees.

Mr. KILBURN. Mr. Chairman, I would like to bring up an inaccuracy here that appeared in the Times-Herald, in a column written by George D. Riley, in which he says—

Mr. RANDOLPH. When did that appear?

Mr. KILBURN. That appeared yesterday:

The pending pay bill offers the best vehicle, though House Civil Service Subcommittee Chairman Randolph insists the bill will be reported substantially in the same form as before the hearings were opened, which raises the question, Then why hold hearings?

I think that is an unfair statement to the chairman and the committee because as I remember it the very first statement made by the chairman was that the bill was not his bill, he was introducing it by request, that it was merely a vehicle to set before the committee to enable them to help draft a bill. I would like the record to show that that statement is inaccurate and unfair.

Mr. RANDOLPH. I appreciate the gentleman from New York calling the attention of the committee to the story. I have no desire to enter into any controversy over the matter except I do believe that it is only fair that accuracy be used in connection with the reporting of these hearings.

I might say that when I read the story yesterday I attempted to talk with Mr. Riley and was unable to do so, did not find him in his office, made several calls, and that there was an assistant to Mr. Riley with whom I talked. I, of course, said that I felt that the story should be corrected in today's column, and of course that has not been done, for what reason I do not know, but of course the record of the hearings, the stenographic minutes, will show that what the gentleman from New York has said is absolutely true.

STATEMENT OF N. P. ALIFAS, PRESIDENT, DISTRICT NO. 44, INTERNATIONAL ASSOCIATION OF MACHINISTS

Mr. RANDOLPH. We have as our first witness this morning Mr. N. P. Alifas, representing the International Association of Machinists.

Mr. Alifas, if you will, give the committee your correct name and position, and a full statement.

Mr. ALIFAS. Mr. Chairman and gentlemen of the committee, the name is N. P. Alifas. I am president of district No. 44 of the International Association of Machinists, and I am also appearing here this morning in my capacity as chairman of the legislative committee of the metal-trades department of the American Federation of Labor. In my capacity as president of district 44 of the machinists' union I represent all Government employees who are members of the machinists' union, and that comprises a large proportion of the employees in the navy yards, arsenals, and Panama Canal Zone, and many independent agencies of the Government.

Mr. REES. Approximately how many?

Mr. ALIFAS. In my capacity as chairman of the legislative committee of the metal-trades department I represent approximately 2,000,000 members of the American Federation of Labor who are affiliated with that department and most of which organizations have a sizable membership employed by the Federal Government.

Mr. REES. But how many in the Federal Government?

Mr. ALIFAS. Well, in my own immediate association we have about 30,000, and I would say we have upward of 100,000 in the metal-trades department employed in the Federal service. At any rate I feel that we represent the bulk of the organized employees in the Government service, not affected by this bill but who are covered by overtime legislation.

I will say that we favor this bill and support the bill as introduced by the chairman. We would like to have a few amendments attached to it to improve it but we would regard it as a good day's work if Congress should pass the bill exactly as it is. We would like naturally to have it improved if possible.

We are particularly anxious that paragraph (e) of section 1 of the bill should not be modified in any way. This bill does not affect employees whose wages are set by wage boards and who are therefore entitled under existing laws to overtime pay for work performed in excess of 40 hours, and owing to the very delicate adjustment which now exists between the mechanics and laborers in private industry and those in the Government service we hope the committee will see to it that these employees who are covered by permanent overtime legislation are not included in this bill in any way, that the bill as it now reads is satisfactory insofar as that part of the bill is concerned.

Mr. RANDOLPH. You will remember the testimony of a previous witness that there should be an inclusion of another group here?

Mr. ALIFAS. Well, that is another group.

Mr. RANDOLPH. He asks that it be placed after (d).

Mr. ALIFAS. Yes; but that is a group that does not come under the wage-board system, it comes under the Classification Act.

Mr. RANDOLPH. Then you do not oppose that amendment?

Mr. ALIFAS. No, sir.

Mr. RANDOLPH. I just wanted to make that clear.

Mr. ALIFAS. No, sir; we do not oppose any amendment so far as I am able to recall that has been offered; in fact we favor most of the amendments that have been offered.

Mr. RANDOLPH. We have had approximately nine amendments offered by witnesses to date.

Mr. ALIFAS. Yes. So far as I can recall there is not a single amendment that has been offered to which we would take serious exception. We are particularly desirous of having an amendment that

was offered by Commissioner Flemming adopted which would favorably affect certain so-called white-collar employees in the navy yards and arsenals who have been promoted from the skilled trades to occupy positions such as inspectors. Perhaps it would be of interest to the committee if I would explain a little further the status of these inspectors.

Some mention has been made of it, but the question perhaps has not been adequately covered. In accordance with the procedure in the navy yard service inspectors are recruited from among the skilled mechanics of all trades, and the custom has been to select the highest grade mechanics for these promotions; in other words, they are regarded as superior in their line of work; but when they become inspectors they automatically come under the provisions of the Classification Act of 1923 as amended.

Now under an amendment to the Classification Act known familiarly as the Brookhart Act, the procedure is that when a mechanic is promoted to the grade of inspector he automatically receives the next grade of pay per annum above what he received on an annual basis as a per diem employee, so that if as a per diem employee he received say \$2,250 a year, if he worked every day of the year, he would receive as an inspector \$2,300; if his rate was \$2,550, he would receive \$2,600 under the Classification Act.

Now it so happened that the wage board system resulted in that after some of these men had been promoted to inspectorships the per diem rate went up, and if they had been promoted to inspectors after the adjustments were made in the per diem rate then they would receive a higher rate of pay as inspectors than they did receive due to the fact that they had their inspector's rating established on the basis of the previous per-diem rate, so that there are some of the older inspectors who presumably are getting less pay than the newer inspectors, because the newer inspectors were promoted after the adjustment in pay of the per diem rates.

Mr. RANDOLPH. At that point, I think it might be well for the committee to recall that yesterday I put into the record a letter from Judge Bland, our colleague from Virginia, bearing specifically on the point which you are elaborating upon today. He took the position in that communication to the committee, which is made a part of the hearings, that there was a bona fide complaint that this group of inspectors have to present at this time.

Mr. MANASCO. Mr. Chairman, is there anything in the Classification Act that prohibits an administrative raise to take care of that situation?

Mr. RANDOLPH. I would think there would be.

Mr. ALIFAS. Yes, sir; there is.

Mr. RANDOLPH. Yes.

Mr. ALIFAS. The Classification Act is more or less stationary you might say excepting that promotions are authorized every 18 months provided the employee's efficiency is good or very good; and they also permit promotions to specially deserving individuals, but when it comes to an entire group, it cannot make them all special and therefore, since most of these inspectors may be regarded as substantially alike, or efficient, they cannot promote them all under that special consideration which they can give to one or two individuals, so even that would result in discrimination.

Now the situation that I speak of would be corrected in major part, I believe, by the adoption of the amendment suggested by Commissioner Flemming; and I want to say, by the way, that Commissioner Flemming in our opinion delivered some splendid testimony, and we are in harmony with 99 percent of it, and I speak only of course for the mechanics and for the per annum employees who are members of our association.

Another circumstance in connection with the inspectors and draftsmen and other technicians in the navy yard service is that they comprise somewhere between 5 and 10 percent of the personnel. The other 90 or 95 percent of the personnel are covered by the wage-board system under the old law—that is, under the law prior to June 28, 1940, these per annum employees did not receive overtime, and there was a disparity in their condition of employment and the wage-board employees, as soon as the overtime began to be worked.

Mr. RANDOLPH. Mr. Alifas, you are the first witness to really appear representing a group within organized labor that we would call not a white-collar class.

Mr. ALIFAS. Yes, sir.

Mr. RANDOLPH. You remember Mr. Steward and Mr. Stengle of course appeared for that type of organized labor.

Mr. ALIFAS. Yes, sir.

Mr. RANDOLPH. I would like for you to tell the committee, with respect to the mechanics, the group you represent and for whom you speak to this committee. Has that group discussed or indulged in any way in sit-downs or slow-downs or strikes?

Mr. ALIFAS. Not in the Government service, sir. The slow-down strike I would say is peculiarly a technique of the C. I. O. The A. F. of L. has not indulged in sit-down strikes. If they strike they go on strike; they quit work; they do not malingering on the job.

Mr. RANDOLPH. There has been no discussion then about any strike where the men were working for the Government?

Mr. ALIFAS. No, sir; no, sir. Our association retains the right to strike, of course, but we have always held it as an unvarying policy that strikes would not be permitted in the Government service. In our association strikes are not called by the officers of the association; they are called only at the instance of the membership. The officers of the association however have the veto power as to whether the strike shall be permitted, and the officers of our association have always held that they will not permit a strike in the Government service, and there has been no talk of strike in the Government service and we do not intend to have any strikes in the Government service.

For one thing, our conditions of employment are partly set by Congress and partly set by the executive departments. The executive departments are limited by acts of Congress and it would be impractical to demand that a Government official grant a concession which he had no right to do under the law, and of course it would be unthinkable that any Government group would strike in an effort to force Congress to do this, that, or the other. We have too much respect for our Government to feel that we should threaten Congress. For that reason there are no strikes in the Government service.

Mr. RANDOLPH. The reason I asked the question, it might appear at the beginning that it was a little apart from this subject, but it is not, because when we are legislating for employees who belong to any organization which is unionized why we have the responsibility of

surveying what that organization has done from the standpoint of being on the job, refraining from absenteeism, from slow-downs, sit-down, or from any strikes.

Now as a labor leader, you have said to this committee that your organization would of course countenance no strike where the men were directly employed by the Government?

Mr. ALIFAS. That is right.

Mr. RANDOLPH. That is correct?

Mr. ALIFAS. That is.

Mr. RANDOLPH. I wonder, Mr. Alifas, if you consider that men working for a private concern, and that private concern holding a contract with the Government for the manufacture and delivery of goods vital to the war effort, if that would be considered also "working for the Government"?

Mr. ALIFAS. No, sir; it would not. It comes under a different category, and as to that I am not authorized to speak. I speak only for the Government service. You see our association is divided up into districts.

Mr. REES. But I thought you stated at the beginning, that you represented those in the Government and outside. I may have misunderstood you.

Mr. ALIFAS. I represent the metal-trades department as a legislative representative, sir, but I do not represent them in an executive capacity to handle strikes. There is a little difference.

Mr. RANDOLPH. You know there has been a discussion, it is not confined to any group, but there has been a discussion from time to time of organized labor, white-collar or otherwise, instituting strikes against the Government. Now, you recognize that that has been discussed?

Mr. ALIFAS. Yes; I believe it has been discussed.

Mr. RANDOLPH. I mean there have been even officers of unions which have given statements on that subject.

Mr. ALIFAS. Yes.

Mr. RANDOLPH. And I am glad to hear you as a leader of organized labor say that you or your group would never counterance a strike against the United States.

Mr. ALIFAS. Of course, this nonstrike attitude of our association is based on the general supposition that the same conditions should be obtainable by means of negotiation and conference. Those of the Government officials who may act in a way to disregard entirely the wishes of the employees just because the employees have agreed not to strike are promoting a tendency to reconsider the strike weapon. They would be in part responsible, if ther should be threats of strike, not against the Government but against officials who are representing the Government. It would be partly their responsibility for being unyielding simply because there was no pressure to induce them to yield; and I want to say this, that there is really good foundation for the proposition that the United States Government should recognize unions.

The United States Government at present does not recognize unions, although it expects employers who have Government contracts to recognize unions. The Government on the other hand does recognize employers, because it in many instances establishes governmental corporations apparently for the purpose of putting the United States Government on the basis of a private corporation,

so that it can deal as a private corporation and not as a government.

Now that is done for the purpose of coming down from the high position of Government to that of a corporation. In a similar way the United States Government could divest itself of its governmental aspect and become an employer of labor in dealing with the employees, and in that way, put itself on the same basis as a corporation, in its industrial relationship.

Mr. RANDOLPH. It has been said, Mr. Alifas, by certain persons, that there was no valid reason for Federal employees organizing into unions, because they could not strike against the Government. You hold that that is no reason for lack of organization?

Mr. ALIFAS. Absolutely no reason at all.

Mr. RANDOLPH. You hold that there are rightful gains which employees could make within the structure of government as to working conditions, the subject matter of this hearing, and additional subjects; is that true?

Mr. ALIFAS. Yes, sir; that is my view of it, sir. I think that the operation of unions in the Government service involves a certain amount of salesmanship; that is, the representatives of these organizations must convince those with whom they deal that what the employees are asking for is just and right.

Mr. RANDOLPH. The reason I have led to that question, we have how many Federal employees now in the Government, approximately?

Mr. ALIFAS. It is about 2.5 million, I believe.

Mr. RANDOLPH. I believe, 2,800,000-plus, but we will say upward of 2.5 million.

Mr. ALIFAS. Yes, sir.

Mr. RANDOLPH. What percentage of that number are members of unions?

Mr. ALIFAS. I haven't made an analysis of just how many are members of unions, but I will say that those employees in the older establishments where there are large groups are exceptionally well organized. As an indication, I can speak for our own association: Some months ago I requested the Navy Department for a statement showing the number of machinists employed in the navy-yard service, and they informed me that there were 13,000 machinists at that time—that is a couple of years ago I would say—and in our association we actually had 13,500 members employed in that service, but some of them were toolmakers of course and other smaller groups, so that that indicated in itself that we had a very substantial proportion of organization in that division of the Government service.

I am frank to say that many of the newer establishments are not organized. In the first place, we haven't the advantage in the Government service of having a union shop or even a maintenance-of-membership shop. One of the reasons why organized labor wants a union shop or a maintenance-of-membership shop is that there are so many people who like to take a free ride—as soon as they get an increase in pay they think that is the end of it and they drop the association, so one of the expedients of keeping up a continuing association is to require that if they benefit by the results of union negotiations they shall help pay the freight.

Many people appear to feel that men working in shops where unions had established the conditions should not be required to belong to the union, but such people would not say that a businessman should operate a moving-picture house or a grocery store and then

merely announce, "Come in and get the entertainment or goods and pay if you like," but the unions appeared to be the only institution that they want to operate free of charge, and we do not think that is quite fair.

Mr. MANASCO. You would not advocate a closed shop for Government employees, would you?

Mr. ALIFAS. Well, I do not know why a Government employee should not be required to help pay for his conditions of employment insofar as the unions had helped to have them established. The Government employee pays taxes whether he happens to want to or not.

Mr. MANASCO. That is what I say—he is a taxpayer.

Mr. REES. You do not think there is any difference then between dealing with the Government and dealing with a private corporation on that question?

Mr. ALIFAS. Of course, it is an academic question, to discuss that, sir. The Government is not recognizing unions. The Government is running an open shop, and they do not propose to do anything apparently that will require people to join unions.

Mr. MANASCO. Being a taxpayer makes him a part of the Government.

Mr. ALIFAS. Yes, yes.

Mr. MANASCO. So if you imposed the condition on him that he must be a member of the union before he could work for the corporation that he is a part of, a stockholder in, that would be an anomalous situation.

Mr. ALIFAS. You reach agreement with private corporations when they turn out materials that are used by the Government.

Mr. REES. Do I understand that you are in favor of what Mr. Manasco suggested, a closed shop for all Government employees? Do you advocate it?

Mr. ALIFAS. Well, as I said, we are not seriously advocating it, because that is an academic question at the present time. The Government of the United States does not recognize unions, but they insist upon extending all of these benefits to nonunion employees.

Mr. REES. What particular benefits do you have in mind?

Mr. ALIFAS. Well, the benefits of whatever the unions may accomplish as a result of their efforts at legislation.

Mr. REES. In what respect?

Mr. ALIFAS. Well, we presume we had a little influence as unions in legislation that has been passed by Congress favorably affecting Government employees, that we have appeared before wage boards presenting arguments in support of increases in pay. When those are forthcoming, that constitutes a benefit that the employee is getting, and we think he ought to belong to the union. It is voluntary at the present time.

Mr. REES. I appreciate that.

Mr. ALIFAS. And we have not made any serious attempt to invoke any closed shop.

Mr. REES. No. I did not intend to raise the question, and I probably do not know as much about it as I should, but following your suggestion, do you think that the matter of employment with the Government should be a matter of bargaining as suggested by Mr. Manasco?

Mr. ALIFAS. As a matter of individual bargaining, if an employee makes an application, he considers whether he is willing to work for the Government in exchange for the conditions they offer him.

Mr. REES. Well, that is of course a matter of filing an application and being selected, is it not?

Mr. ALIFAS. Yes.

Mr. REES. But I am talking now about an agreement. Do you think it ought to be a sort of group bargaining for these jobs, stenographers, typists, and so on?

Mr. ALIFAS. I think it is in line with up-to-date thought on the question of industrial relationships.

Mr. REES. Then, if so, we would have to modify our present legislation on the whole subject, wouldn't we, about employment?

Mr. MANASCO. That would eliminate the necessity of a Congress, if that were carried through.

Mr. ALIFAS. Not necessarily. No, Congress is one of the employers.

Mr. MANASCO. No; we are representatives of the people, we are not the employers. I mean, we are supposed to represent the people; sometimes we do not represent them very well.

Mr. ALIFAS. I mean, Congress also is the city council of the District of Columbia. You have many capacities. Congress, in practice, also makes treaties, and I think Mr. Chairman, this is largely an academic discussion.

Mr. REES. I appreciate your opinion on that, but the question was raised and I was just interested in getting your viewpoint because you are one man who has been in this service for many years.

Mr. ALIFAS. Yes.

Mr. REES. You have given the problem a lot of study, and this is your particular job.

Mr. ALIFAS. Yes, sir.

Mr. REES. Now, I am interested in having your viewpoint as to whether you thought Government employment—that is, the employment of people in the Government—should be a matter of bargaining with the Government, rather than handling it the way it is being done now? I am just trying to get your views on this subject.

Mr. ALIFAS. We have been doing a species of bargaining, sir, for many years. In exchange for the right to strike, we have confined ourselves to appearing before officials and urging them to do this that, and the other, and sometimes they have done so.

Mr. REES. Just as you are doing now?

Mr. ALIFAS. Sometimes they have complied with our requests. Usually they have made a decision in such a way that it appeared to originate with them without crediting their decision to any influence or suggestion from organized labor, dependent upon whether they are friendly to unions or whether they are not; but we have been conducting a species of bargaining for employees both in the departments and in Congress.

Mr. REES. But your bargaining is for legislation?

Mr. ALIFAS. Yes, sir. It is also on interpretations of legislation and on wage questions before the wage boards. The Government wage boards operate much the same as hearings before the National Labor Relations Board and the War Labor Board. You appear before them as representatives of organizations, you make requests of them on behalf of the employees, and you get your decision.

Mr. REES. But that labor is in private industry?

Mr. ALIFAS. Yes, sir. At the present time in private industry they are not supposed to strike.

Mr. REES. That is right. The reason I am interested in the expression of your opinion is because you represent a pretty high class group and your opinion on this problem is of interest I think to the committee. That is the reason I asked the question. I did not raise it to be critical or academic.

Mr. ALIFAS. I do think the United States Government should be willing to resolve itself into an employer of labor when it deals with its employees and be willing to bargain the same as private employers are supposed to bargain with their employees.

Mr. REES. I see.

Mr. ALIFAS. It seems to me that is a fair proposition.

Mr. REES. Now, if I may get back——

Mr. MANASCO. I would like to ask him one question right there.

Mr. REES. All right.

Mr. MANASCO. Don't you think that a strike against the Government would be an act of rebellion?

Mr. ALIFAS. No; I do not think it would be. Of course it all depends on why they struck or at what time.

Mr. MANASCO. I mean for any reason.

Mr. ALIFAS. No, I do not think it would be rebellion. Mr. So-and-So is a Government official, he decides under authority given him by Congress, he has discretion to do certain things that are offensive to those whom he employs, and the employees concerned refuse to work under those conditions and they quit: Now whose fault is it that they strike? Is it his, or is it theirs? That all depends on who is right. If the official is wrong then he is the one responsible for the strike, he should have exercised his discretion in such a way that he could meet the labor requirements of the men he is employing.

Mr. MANASCO. In a democratic form of government, or republican form of government, we have machinery to take care of situations of that kind without striking against the Government. Now I am in favor of the weapon of the strike in private industry to protect the workers interests, if abused.

Mr. ALIFAS. I have just tried to draw a distinction between the Government, and the Government as an employer of labor. If the Government would resolve itself into an employer of labor, then you would not be striking against the Government, you would be having dealings with that employer of labor the same as a private corporation has with a Government corporation with which they deal.

Mr. MANASCO. You could not have government without employing labor, unless we had all forced labor. It would be impossible to have a government without being an employer of labor, and we could not have a government if the employees had the right to strike at any time they wanted to. To protect our Government we must not permit strikes in the Government service.

Mr. ALIFAS. Well, as I said, it is an academic question. We are not asking for the right to strike.

Mr. MANASCO. I hope you do not.

Mr. ALIFAS. We do not intend to strike.

Mr. MANASCO. I think if that power were granted to anybody our form of government would be destroyed. There would then be no labor organizations.

Mr. ALIFAS. In theory, I repeat, the Government as an employer of labor should be willing to put itself in the same position as any other employer of labor which is supposed to deal with its employees.

Mr. MANASCO. I think our Government has been very generous with its employees.

Mr. ALIFAS. It should not regard a dispute which results in a stoppage of work as rebellion against the Government, any more than it should be regarded as an infringement of the property rights of an employer because he cannot run his plant without the aid of his employees.

Mr. MANASCO. Do you think the members of our Navy should be able to strike because they do not want to go into a submarine-infested zone?

Mr. ALIFAS. That is military. No, I do not.

Mr. MANASCO. Well, it is all our Government.

Mr. ALIFAS. That is the military service. I hope the time will never come when we will have forced labor in the United States and the conditions of employment in industry will be determined by the conditions of service in the military branch.

Mr. MANASCO. Well, I hope not too. That is why I say that if we were to have the closed shop in Government service it would result in the very thing that we are all opposed to.

Mr. ALIFAS. Well, that is a matter of opinion.

Mr. MANASCO. Because the Government must protect itself one way or another, and if it cannot do that by democratic processes it will have to do it by totalitarian processes. Of course this is all off the subject. We ought not to be taking time. Let us get back to the bill.

Mr. ALIFAS. What is more democratic than negotiation between two groups or two individuals as to what they are mutually going to expect of each other?

Mr. MANASCO. We cannot settle that in this committee.

Mr. REES. We understand that.

Mr. MANASCO. Let us get back to this bill.

Mr. GALE. Just one question. What are the initiation charges and the dues in your unions?

Mr. ALIFAS. They vary of course. In the particular union that I represent our dues are based on a minimum of \$1.75 a month, and in the Government service they all pay only the minimum. We charge an initiation fee. It varies a bit but it is generally \$10 for initiation and for reinstatement—that means that if they drop out of the union and come back, in most instances it costs \$10 to reinstate the first time and then the fees step up so that reinstatements may reach but not exceed \$25 for repeated lapses of membership.

Mr. GALE. Does that union have the privilege of setting its own fees?

Mr. ALIFAS. Yes, sir; yes, sir; but the general practice in our association is that it is not over \$25, and that amount is not much more than a year's dues.

Mr. GALE. It is between \$10 and \$25?

Mr. ALIFAS. Yes; and then we have special dispensations occasionally when we want to ease up, we charge them only a \$3 initiation fee. That is a very nominal sum.

Mr. GALE. Would that include any other benefits? I mean death benefits or sick benefits or anything of that sort.

Mr. ALIFAS. Yes, sir; it includes death benefits and in some instances sick benefits. Our locals in some instances provide sick benefits. In some organizations they have insurance. As a rule where some labor organizations charge \$2.50 or \$3 a month dues, they have a very substantial life insurance or annuity to go along with it so that a large part of the money that is paid out by the individual is returned to him in the form of an equity of some kind.

Mr. REES. To get back, you represent about 30,000 Federal employees?

Mr. ALIFAS. Yes, sir; directly.

Mr. REES. And approximately what salaries do they get? How much are they actually getting now, time and a half and all? How much do they draw a month?

Mr. ALIFAS. If they work 6 days, a large proportion of them would draw \$3,400 a year.

Mr. REES. That is, including the overtime?

Mr. ALIFAS. Yes, sir.

Mr. REES. That is the total amount which they receive?

Mr. ALIFAS. That is the total, from which of course is subtracted the 5 percent deduction for retirement, and the Liberty or Victory tax, and all that sort of thing.

Mr. REES. I am asking about the total check.

Mr. ALIFAS. As a matter of fact their basic pay is around \$2,600 a year for first-class mechanics, and I would say that the overtime that they make is almost all absorbed either in taxes or in annuity or retirement deductions or in the purchase of bonds.

Mr. REES. What is the wage of the inspectors?

Mr. ALIFAS. The inspectors, a large proportion of them, get \$2,600 a year at the present time.

Mr. RANDOLPH. Any other questions? Mr. Kilburn?

Mr. ALIFAS. I had a little more testimony to deliver, sir.

Mr. RANDOLPH. All right.

Mr. REES. I am sorry I interrupted you. I thought you were through with your testimony.

Mr. ALIFAS. That is all right, that is all right.

We would like to have this \$2,900 ceiling eliminated. The bill will be good even if that stays in there, but we would like to have it eliminated for the reason that in the upper brackets the income tax is of course heavier and employees will not get much more than straight time out of it anyway. We have here the income-tax statement. The surtax which an employee who has \$2,000 on which to pay taxes—will pay 27 percent on anything he gets above that.

Mr. MANASCO. Do you advocate the passage of a bill that would raise everybody's wages, including private employees, in order to take care of the income tax?

Mr. ALIFAS. No; I am just calling attention to this.

Mr. MANASCO. That would be pretty hard to do.

Mr. ALIFAS. I am just calling attention to this, that after all there is a certain amount of recapture of this money and I think it might be worth while for the committee to obtain from the Bureau of the Budget a statement showing how much of all of this overtime money is recaptured by the Government in the form of taxation. The general statement is that this bill will cost an additional \$265,000,000 but that is not a charge against the Government in its entirety because a large part of it is recaptured, and it might—

Mr. REES. Well, let me interrupt you there. You do not suggest that we increase the salaries so the Government can recapture more money, do you? You would not want that?

Mr. ALIFAS. No; I am just saying that these employees who get above \$2,900 will have to pay back that much out of any time and a half that they receive. They will have to pay back from 27 to 35 percent.

Mr. RANDOLPH. Of course, Mr. Alifas, the committee understands that the surtax brackets rise as the salaries increase.

Mr. ALIFAS. Yes.

Mr. RANDOLPH. We are apprised of that.

Mr. ALIFAS. Yes; but the chairman the other day in the hearing here said that there were certain questions that would be raised in the House that you would have to answer, and it occurred to me that the chairman might fortify himself with that information about the amount that the Government recaptures out of this total sum, to reply to some of the gentlemen who look only on the total amount.

Mr. RANDOLPH. I stated very frankly I do not think that would be an argument one way or another against the bill. I want to make that clear.

Mr. ALIFAS. No. Well, it does not actually cost the Government \$265,000,000, it is not that much out of pocket. If it constitutes an argument that this is a large sum of money to spend, then it would serve a purpose to point out this recapture through taxes matter.

Mr. RANDOLPH. Are there any other questions?

Mr. GALE. I have one. It is not particularly in line with the bill. I want to ask about the arrangements, or whether there are any colored employees and mechanics who are admitted to your unions?

Mr. ALIFAS. Well, in many of the organizations affiliated with the American Federation of Labor they take in colored employees. There is nothing in the constitution of the Machinists' Union that prohibits colored employees from becoming members, but there is—well, I do not know whether it is a good thing to put this into the record or not. I think I will confine my statement to the effect that there is nothing in the constitution of our association that bars them.

Mr. RANDOLPH. Thank you, Mr. Alifas.

Mr. ALIFAS. Thank you for the opportunity.

Mr. RANDOLPH. We all appreciate your coming before the committee.

We now will hear from a representative of the United Federal Workers of America. I am not certain just who is to appear—Mr. Arthur Stein, I believe.

Mr. STEIN. Yes, sir.

STATEMENT OF ARTHUR STEIN, ASSISTANT SECRETARY-TREASURER OF THE UNITED FEDERAL WORKERS OF AMERICA, CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. RANDOLPH. If you will, give your correct name and the position you hold with the organization.

Mr. STEIN. Arthur Stein, assistant secretary-treasurer of the United Federal Workers of America, for the C. I. O.

I suppose that for the record I should describe our organization briefly. It comprises somewhat in excess of 30,000 members, all of

them Government employees, about half and half divided between production workers and white-collar workers; that is, between per diem and annual wage workers.

Mr. RANDOLPH. Mr. Stein, just at that point, I should like to ask the same question that I put to Mr. Alifas. You know the number of Federal employees of every character?

Mr. STEIN. Yes, sir.

Mr. RANDOLPH. What percentage do you believe are now members of unions?

Mr. STEIN. As Mr. Alifas said, it is very difficult to tell because of the mushroom growth of the Government service. In fact the Government itself does not know much about its own employees, no doubt. We have tried to get statistics from the Civil Service Commission.

Mr. REES. In what respect do you mean the Government doesn't know much about its employees?

Mr. STEIN. They do not have any statistics on how many production workers there are and how many white-collar workers there are.

Mr. REES. Is that correct?

Mr. STEIN. That is right. They do not have statistics and breakdowns by wage groups, by color.

Mr. RANDOLPH. My question was very bona fide, I just wanted to find out.

Mr. STEIN. Yes. I would venture a rough opinion that perhaps 20 percent.

Mr. RANDOLPH. Twenty percent are now organized?

Mr. STEIN. At least; yes, sir—the crudest possible guess.

The United Federal Workers of America, affiliated with the Congress of Industrial Organizations, endorses wholeheartedly the overtime pay bill for Federal workers, H. R. 1860, and strongly urges favorable action on this bill by the committee. The Congress of Industrial Organizations as a whole has also endorsed the principles of this legislation, whose enactment would go far to solve one of the most acute problems facing Government workers and the Federal service in general.

Before coming to the question of the need for such legislation as a measure required to speed victory in the present war I should like to state our conviction that provision for overtime pay at the full rate of time and one-half is highly desirable as a permanent measure. It would carry into the Federal service the principle which now prevails almost universally in private industry. We are of the opinion that the pay standards of Federal workers have been in general below those of employees of private firms, particularly with respect to this question of pay for overtime work.

Data are available from the Bureau of Labor Statistics on changes in weekly and hourly earnings of wage workers in manufacturing industries throughout the country. From September 1939 when average weekly earnings were \$24.70 to December 1942 when they stood at \$39.78 per week factory wage earners' weekly earnings rose by 61 percent. This is of course due to a combination of longer hours worked per week and to increased earnings per hour, the latter factor being predominant. During this entire period the wages of per annum Federal employees remained constant with three exceptions—the passage of legislation providing for a minimum \$1,200 annual salary which resulted in some small increases for the lowest-paid groups, the

overtime pay legislation, and the within-grade increases under the Ramspeck Act. Thus it would seem that factory wage earners have fared considerably better in the war period than have the annual wage workers in the Federal service.

We should like to see Federal workers treated by and large in the same way as any other workers. We do not think that they should be set off in a separate class by themselves with either special privileges or special hardships. If anything the Government should be a model employer blazing a trail of progressive labor standards for private industry to follow—a situation which has not prevailed up to the present time. Furthermore Mr. Flemming of the Civil Service Commission has already testified to the fact that approximately 60 percent of the present working force in the Federal Government—wageboard employees in navy yards and arsenals—already receive full time-and-a-half pay for overtime. We have then this problem of equalization of wage standards not only between Federal and private employment but within the sphere of Federal employment itself. Finally while this is not within the purview of your committee at this moment I should like to remind you that the great majority of workers in private industry have received increases in hourly pay rates up to 15 percent in the last 2 years under the operation of the War Labor Board's Little Steel formula, and that no such recognition of increased living costs has been granted to Federal workers. At a suitable time in the near future it is our aim to request appropriate legislation to meet this situation.

But apart from and above any question of permanent adjustment of Federal pay standards the acute problem which faces us jointly today is that of promoting the speediest possible victory in the war for survival and democracy in which we are engaged. Let no one minimize the role which the civilian Government employee plays in our common effort. Whether as mass-production workers in shipyards and arsenals working as welders, riveters, mechanics, and laborers, or as mass-production clerical workers on typewriters, calculators, and office machines, the more than 3,000,000 Federal workers constitute today the largest single block of civilian producers in this country. Every measure which can be taken to raise the morale of this vast civilian army and to increase its production should be taken with the utmost possible speed.

After all, Federal workers are today working and living under conditions which tend very strongly to lower morale and to lower productivity. The great influx of working people into centers of war production in which Government employees live and work has resulted in crowded and substandard living conditions, inadequate transportation facilities, reduced health and welfare services, and little or no recreation. While many of these problems will be alleviated only indirectly by an increased pay check, some of them will be affected in a measurable and obvious degree. The base pay of the average per annum Government employee is not higher than \$1,500 a year, and the problem of feeding, clothing, and sheltering a family on such an income is today almost insuperable, with food costs rising almost daily. A man who is worried by the problems of where he is going to raise the money to meet the grocer's bill, the rent, and the doctor's bill, is not going to be by any means at the peak of his production capacity. It is my opinion based on intimate contact with thousands

of Federal workers in various parts of the country that even the passage of last year's Overtime Pay Act, inadequate as its provisions were, has resulted in a higher rate of production in the Federal service not merely in terms of work performed in the additional overtime hours but also in the amount of work done every hour of the day. Government workers as a group are as loyal and patriotic and devoted to the winning of the war as any other group of workers in the country today. Give them the chance to produce and they will produce—and the question of adequate overtime pay is a central point in this connection.

You may think that I have exaggerated the extent to which morale has been adversely affected by inadequate pay. However, the most startling proof of what I have stated is available in the form of Civil Service Commission statistics and turn-over in the Federal service. Commissioner Flemming told you on Wednesday that in the last half of 1942, of 100,000 placements made in Washington by the Commission, 84,000 were to fill vacancies while only 18,000 were for new jobs. This is equivalent to an annual turn-over rate here of at least 60 percent. Now out of these 84,000 replacements probably about one-fourth were due to men and women entering the military services. As to the remaining 60,000 we can draw some inferences as to the reasons for their leaving the Federal service from a study made by the Civil Service Commission of a sample of 5,560 separations which took place in Washington in the month of November. Excluding separations for military service and interagency transfers we find that about 40 percent of the people who leave do so for reasons which are more or less directly of a financial nature. The largest single reason was the low salary received and the others include poor health and the need to care for children, increased living costs, poor transportation and housing facilities. Now perhaps not all these turn-over cases would have stayed in the Government if we had already been under a time-and-a-half-for-overtime pay standard, but I would venture the opinion that most of them, possibly 30 percent of all the people voluntarily leaving the Government service, would not have left had H. R. 1860 been in effect last year. Furthermore there is also a serious problem of uncontrolled transfers among the various Government agencies and I will tell you frankly that in many cases Government employees do leave their present jobs to work for other agencies at a higher rate of pay. It seems evident to us therefore that this legislation is an immediate necessity right now as a war measure.

I do not know whether any of your previous witnesses has discussed the actual cost to the Government in dollars and cents of this tremendous turn-over, which by the way is considerably higher than that prevailing in private industry. When a man leaves a Government job and someone comes in to take his place it probably takes at least 3 months before the new employee reaches a level of efficiency equal to that of the man he replaced. At the same time you have all kinds of training programs which themselves require manpower and equipment. Not only that but the man who left his Government job, to go either into private industry or another Government agency, will himself require 2 or 3 months of training before his production reaches par. I am convinced that if it were possible to add the total costs involved in reduced efficiency arising from turn-over, in training programs, and in the lowered morale and productivity of all Government employees, that could be eliminated by the passage of this bill,

the final result would be a net saving to the Federal Government in actual dollars and cents.

In the period from September 1939 to December 1942 the cost of living for the country as a whole covering all income groups rose by almost exactly 20 percent according to the Bureau of Labor Statistics. It is generally recognized that these figures are extremely conservative. In the first place they take no account of "black market" operations which according to the press are so prevalent throughout the country today; in the second place they take no account of the deterioration of the quality of food and clothing which is now available, and in the third place they do not reveal the fact that cost-of-living increases are doubtless sharper in their effect on low-income groups than upon those in higher brackets. For example while the total cost of living rose about 20 percent, the cost of food rose by more than 33 percent in the same 3-year period. In other words per-annum Government employees, particularly those who are in the lower-income brackets (50 percent receiving \$1,500 a year or less) are being called upon to make sacrifices entirely disproportionate to those of the other sections of our population. While we are on this subject of cost of living I should like to answer a point which has often been made particularly in places like the city of Washington. It has been charged that while \$1,500 or \$1,600 may be inadequate for a family of four or five, a great many of the Government employees in Washington are single men or women with smaller expenses, and that therefore these statistics are inapplicable to them. Let me say here that reports we have received from a great many Washington Government employees show that these single workers are just as badly off as the family man. Boarding-house rents have probably gone up as much as 60 percent in the last year and restaurant meals, as you probably know by your own experience, have gone up even more than that. According to the Woman's Bureau of the Department of Labor the estimated annual cost of maintenance and protection of health for a woman Government worker living alone in the District of Columbia is \$1,830 per year.

The plight of the lower-paid Government worker and his family is shown by the fact that in 1941 families whose incomes were under \$1,500 per year had a net deficit—that is, they actually spent more money than they received; in short, they had to borrow money or pawn or sell some of their possessions—and this was in 1941 when the tax bill was very much less than it is this year and before the advent of the War-bonds-and-stamps program. Imagine the situation of a \$1,500-a-year family in 1943 with the cost of living having risen 20 percent and War bonds taking another 10 percent and taxes still another 10 percent and with an income which has remained relatively unchanged.

In passing we should like to go on record as supporting Commissioner Flemming's suggestion to include the employees of the Library of Congress, Botanic Gardens, and the Architect of the Capitol under the overtime provisions of this bill. We see no reason why the employees of the legislative branch of the Government should not be utilized to the full extent of their manpower and receive corresponding compensation in the same way that provision is being made for the employees of the executive branch.

Finally I want to take this occasion to call to the attention of your committee a problem which has arisen in connection with the operation of last year's overtime-pay legislation. We have found that many departments have not adhered to the letter and spirit of the Overtime Pay Act and the President's Executive order interpreting it. Many of the executive departments have issued regulations which state flatly that overtime pay will be granted only for work up to 48 hours per week and that all overtime worked above that will not be compensated for at all. The theory behind this interpretation seems to be that while no one but the head of the department can authorize payment for work over 48 hours per week almost any supervisor is authorized to instruct or request employees to work hours in excess of 48. Consequently the individual employee is in the position of either refusing a direct request from his superior officer to stay on the job more than 48 hours which is certainly an undesirable situation, or of working more than 48 hours per week without any pay for the excess hours, not even at straight time—which in our opinion is an illegal situation. While I recognize that the primary solution to this problem must be found within the executive branch of the Government I am calling it to the attention of this committee so that they may be in a position to take it into account in their consideration of the present legislation.

Now, I have spoken briefly on the needs of the passage of this bill, which we endorse completely, from two points of view: first, as a permanent measure, based on our opinion that in general working conditions should be equalized between the Federal service and private industry as a long-time proposition. I am not now speaking of relationships but of working conditions as regards pay and hours. We do not believe that Federal workers should be set off with respect to wages or hours from the bulk of the industrial workers or office workers of the country, and I think that is a correct position for a democracy. We do not want to have a special class of Government workers that are set out in that way.

Now naturally since the standards for Government workers are set by the Congress there has been a considerable inflexibility in the way in which Government employees' pay follows that of private industry, but it does follow; that is, in depression times Government employees have had their wages cut, and in boom times they have had them raised, but in each case it lags behind, and I think it is the responsibility of Congress if it holds this view to maintain that equality as nearly as possible under the present arrangement.

MR. RANDOLPH. Do you think the Government itself should be the leader or the follower in the matter of pay standards?

MR. STEIN. I think it should be the leader.

MR. MANASCO. In other words, you think that in a time such as we had from 1930 to 1937 the Government should be the first to cut its employees to meet the general conditions?

MR. STEIN. Well, I do not think it should lead in the sense of time, but should lead in the sense of establishing—

MR. MANASCO. It should lead in the raising but not in cutting?

MR. STEIN. No, it should lead in methods and standards of operation. The question as to when you do that is an administrative and legislative problem, but on such questions as pay for overtime, which

by now has become in private industry a completely recognized institution, we think as a permanent measure it should likewise become a federally recognized institution.

Mr. RANDOLPH. Do you have any amendments to suggest to the bill?

Mr. STEIN. I would support the amendment discussed by Mr. Alifas on inspectors, and I would support the amendment made by Commissioner Flemming with respect to congressional-establishment employees.

Unfortunately I have not been in complete touch with the committee's work. I do not know of the others. We have no special amendments.

Mr. RANDOLPH. You have no special amendments to offer as an organization?

Are there any questions of Mr. Stein?

Mr. STEIN. May I go on to my second point?

I spoke first of the need for this as permanent legislation, but I think the most important consideration today is, of course, the war. It is our major desire during the war period to increase production in the Government service, to see to it that the output of the tremendous Government establishment be kept at a maximum. You know that with close to three million employees, the output of these people is a very substantial block of work. It is the largest single block of production as a matter of fact in the country today, and therefore anything that affects the productivity and efficiency of these people is of serious importance. It is a part of the total manpower picture of the country today.

Now as I say it is our primary desire to increase this efficiency and this production, and one of the major ways in which this can be accomplished is to promote an equalization of pay standards between Government workers and private workers so that there is no feeling on the part of Government workers that they are being called upon to make undue sacrifices. Official figures have it that the weekly earnings of private industry have risen by 60 percent in the past 3 years, according to the Bureau of Labor Statistics.

Mr. MANASCO. Do you have any figures to show the wages in agricultural lines as compared to Government employees?

Mr. STEIN. No, sir; but it is my belief that the Government employment is very closely comparable with manufacturing industry rather than with agricultural industry.

Mr. MANASCO. But you do not think though that in raising the wage level we should leave one of the poorest paid groups down at the lower level?

Mr. STEIN. No, sir; I do not think so. I am very much in favor of a general equalization.

Mr. MANASCO. I noticed an advertisement in the paper a day or two ago, in which one of the organizations in the C. I. O. was getting all over the Government and Congress for the so-called "over-all price control bill."

Mr. STEIN. I saw the same advertisement.

Mr. MANASCO. They want us to cut down the price of food, but when you cut that down you cut the farmer's wage. We just want to know if the Government employees and members of organized labor are willing for our poor farmers to benefit a little.

Mr. STEIN. I am not qualified to speak for these people, but I do not think they wanted to cut the farmer's wage. They just wanted to stabilize prices.

Mr. MANASCO. They just want to hold it where it is and let wages go sky high.

Mr. STEIN. I think they want to stabilize the entire situation—which I think is desirable.

Mr. MANASCO. They want an 80-hour week at \$1.25 a day?

Mr. STEIN. Well, we are opposed to that.

Mr. MANASCO. You are opposed to raising it?

Mr. STEIN. No; we are opposed to an 80-hour week and \$1.25 a day.

Mr. MANASCO. But you are in favor of getting your food as cheaply as you can, and having the cow's milk, and the corn, beans, and beets produced?

Mr. STEIN. We are in favor of stabilizing the situation as much as possible.

Mr. MANASCO. We do not have labor enough to get out and harvest what we have now. They have to work overtime.

Mr. STEIN. Do you feel the solution of that is to cut the Government worker's pay?

Mr. MANASCO. No; I think the solution of that is to raise their pay up where they will compare with the Government employees.

Mr. STEIN. I think so too.

Mr. MANASCO. That is, for the same amount of service.

Mr. STEIN. I think so, too, except that the question of how you do it, of course, is a matter for the agricultural experts.

Mr. RANDOLPH. Carter, of course I am just as much interested in the welfare of the agricultural worker as you have expressed yourself as being, but we do have to recognize there is a difference in the type of living conditions in the city.

Mr. MANASCO. Oh, we do. That is why I was discussing the strike against the Government a while ago. There is bound to be some difference.

Mr. STEIN. Factory wage earners' weekly earnings have risen 60 percent in the past 3 years, though of course the Government worker's pay has not risen in anything like that degree.

Mr. RANDOLPH. What is the percentage rise in the cost of living during that period? Do you say it is about 60 percent, or something like that?

Mr. STEIN. No; the cost of living is about 20 percent.

Mr. MANASCO. You will recall that during the lean years the daily wage was not the criterion, it was the annual income of a factory worker. Back in 1930-31, and even on up to 1941, a man in the automotive industry did not work 310 days a year.

Mr. STEIN. That is right.

Mr. MANASCO. He might not work over 100. You have got to figure the annual income, and that is where the Government employees miss the slant of the employees in private industry, I think.

Mr. STEIN. But during the present period the factory employee works a solid year.

Mr. MANASCO. Back in those years the Government worker was coming in every day, except that he had to take his vacation with pay. A man working in the automotive industry or in the coal mines was then working but 1 or 2 or 3 days a week, so you cannot compare a Government employee with an employee in private enterprise.

Mr. STEIN. That brings me to my next point. The fact is that Government employees do compare themselves, you see.

Mr. MANASCO. I know.

Mr. STEIN. That accounts for the turn-over.

Mr. MANASCO. I know that.

Mr. STEIN. And this turn-over is a very serious problem. I think the figures given by Commissioner Flemming, and other figures of the Civil Service Commission, show that in 1942 there was about a 60-percent turn-over in the Federal service.

Mr. MANASCO. The same is true of private industry, and the same is true of farming.

Mr. STEIN. The turn-over in the Federal service is greater than that in private industry.

Mr. REES. May I ask, since you have made a study of the turn-over in the Federal service, the turn-over you are talking about also includes shifting from one department and agency to another, does it not?

Mr. STEIN. You can exclude that.

Mr. REES. And still have 60 percent in and out?

Mr. STEIN. Yes, sir; I think so.

Mr. REES. Do you mean to say 60 percent are taken out of service?

Mr. STEIN. In 1942, yes.

Mr. REES. And replaced?

Mr. STEIN. Yes.

Mr. REES. Now that, of course, as was shown the other day though is not entirely due to the question of wages?

Mr. STEIN. No; not by any means.

Mr. REES. It was shown that a great percentage is due to men and women going into the armed forces.

Mr. STEIN. Yes; but I would say you could divide the turn-over into that which is necessary and unavoidable for military service and that which is avoidable. Of that which is avoidable I estimate that 30 percent can be terminated by proper stabilization of wages—30 percent of the nonmilitary turn-over. We haven't many statistics, but the Civil Service Commission has interviewed these people who leave the service and a small group of them—

Mr. REES. You heard the testimony on that, did you?

Mr. STEIN. I am familiar with it, and I know that the largest single reason is inadequate pay each month.

Mr. KILBURN. He stated it was 11 percent.

Mr. STEIN. Yes; but there are other reasons. That is directly affected by poor food, poor health, poor living conditions, resigning to take care of children. All these things are partly corrected by the increase here.

Mr. MANASCO. Were you here in 1933, 1934, and 1935?

Mr. STEIN. Yes, sir.

Mr. MANASCO. Do you remember how many people tried to get Government jobs and raised the dickens with their Congressmen because they could not get them?

Mr. STEIN. Yes, sir.

Mr. KILBURN. I do not care whether the actual percentage is 11, or what, but I will say to you that the turn-over of bank employees or store clerks in almost any of those times is more than 11 percent, for wages.

Mr. STEIN. But I think it is fair to include in wage turn-over such questions as resigning to take care of children; that is, that mothers have to leave the Government because their pay is not enough to cover the pay of a domestic worker to take care of the children, and if their pay were increased just above that level—and sometimes it is a very close question—they would stay and keep working.

Mr. KILBURN. My point is I think the turn-over due to wages in the Government is not any measure, that it is not as large as it is in private business.

Mr. REES. Banking, store, merchants, and concerns of that kind.

Mr. STEIN. That, you maintain, was 11 percent, but I am of the opinion it was 30 percent.

Mr. KILBURN. That was his testimony.

Mr. STEIN. If you go into it in detail, they list about 20 reasons why people leave. One of them is insufficient pay, and that is 11 percent, but another one is increased cost of living—there is no difference between the two—that is another 8 percent, and it just happens to depend on what the individual says.

Mr. KILBURN. Let me ask about one thing that was not clear when you first started. You said you represent about 30,000 Government employees; is that right?

Mr. STEIN. Yes, sir.

Mr. KILBURN. Is your membership made up of groups of certain types of employees, or how do you recruit your membership—in what class?

Mr. REES. Who are they?

Mr. STEIN. It is very varied. They are about half white-collar workers in the departments and about half are the production workers in the arsenals and some in the navy yards.

Mr. KILBURN. It isn't any one class of workers?

Mr. STEIN. No.

Mr. KILBURN. One of your men goes out to any department and says, "Come and join"?

Mr. STEIN. Yes; that is right.

Mr. KILBURN. And no matter what job he has, he would say, "I will join; here's my dues."

Mr. STEIN. Unless he is a supervisor, that is true.

Mr. KILBURN. So they are really scattered?

Mr. STEIN. Yes; they are scattered through the service and through the country. They are generally the lower-paid group.

Mr. RANDOLPH. It was indicated by the gentleman speaking before you, who refused to answer on the A. F. of L., that there was no disposition to eliminate colored workers from the union. What is the position of the C. I. O., your organization, on that subject?

Mr. STEIN. We accept them completely without qualification.

Mr. GALE. Could you offhand give us an estimate or an approximation of the percentage of your membership that is colored?

Mr. STEIN. I would say in the neighborhood of 15 percent.

Mr. GALE. That would be considerably higher than the A. F. of L. From what I understand, the A. F. of L. as a practice does not admit colored people. Is that correct?

Mr. STEIN. Mr. Alifas speaks for the A. F. of L., I do not.

Mr. KILBURN. Really you represent a cross section of all the Government employees do you not?

Mr. STEIN. A small cross section I think; yes.

Mr. REES. I thought most of them, or nearly all of them, were the lower paid workers employed in navy yards and places like that?

Mr. STEIN. No; as I say, it is about half and half between the white-collar and production workers.

Mr. RANDOLPH. How many workers do you have in Washington proper?

Mr. STEIN. About 9,000.

Mr. MANASCO. What are the union dues?

Mr. STEIN. \$1 a month maximum.

Mr. MANASCO. What is the initiation fee?

Mr. STEIN. \$1 maximum, and in other cases, none, at the option of the local.

Mr. MANASCO. Do you think we should have a closed shop for the Government employees?

Mr. STEIN. Well, I will stick with Mr. Alifas on the statement that it is an academic question. I would add this, though: If the condition prevailed where 85 percent of the Government employees were union members, not only my thinking on the subject but your thinking on the subject might be different. That is, there was a time in this country when no one would conceive of a closed shop in any private industry, and when you get a substantial organization, the closed shop or the union shop may become a stabilizing or a standardizing influence; but to discuss it in 1943 is in my opinion a waste of time.

Mr. RANDOLPH. Just at that point, then in peacetime you were working diligently to increase your membership of the Federal workers within the union?

Mr. STEIN. Yes, sir.

Mr. RANDOLPH. Now, in wartime, has the organization's program from the standpoint of getting new members stopped?

Mr. STEIN. No; not at all; no.

Mr. RANDOLPH. Then you mean that in the prosecution-of-the-war period you are still attempting to build your organization larger?

Mr. STEIN. Yes. We think that our organization has something to contribute in the way of increasing production during the war, and the larger it gets, the more we can do.

Mr. RANDOLPH. Then you would agree with the theory that Mr. Lewis and his group have used in going out and organizing new groups of people during the war who were not members of unions at the beginning?

Mr. STEIN. Yes, sir; because we think they are a progressive influence during the war.

Mr. MANASCO. Do you think that a Federal employee or a Federal group of employees should have a right to strike against their Government?

Mr. STEIN. No, sir. Our constitution prohibits that.

Mr. RANDOLPH. Are there any other questions of the witness?

Mr. STEIN. May I just add one point, Mr. Chairman, for a moment?

Mr. RANDOLPH. Yes, surely.

Mr. STEIN. I do not know whether it has yet been called to the attention of the subcommittee that many of the departments have not in our opinion carried out the letter or the spirit of the previous overtime legislation. They have instituted generally regulations which permit payment of overtime pay for work up to 48 hours and then stopped, and then their regulations vary, but usually go on to say that no one is authorized to permit payment for more than 48 hours

of work, and anybody who works more than 48 hours is considered to be doing so upon a voluntary basis.

The situation which confronts the individual employee is that the supervisor asks him or tells him to stay longer than 48 hours. That employee either has to refuse, which is a very undesirable situation, of course, or work the additional hours without any compensation either in the form of straight pay or time and a half.

Mr. RANDOLPH. Now, make that clear. You say straight pay would be denied that person beyond a certain number of hours?

Mr. STEIN. Yes, sir. They have established in most cases a full 48-hour workweek and they say only the head of the department can authorize payment for work more than that, but any supervisor or many supervisors as it turns out can request or order employees to work longer hours but they haven't the authority to see that they get paid for it, and it is our opinion that there is no qualification in the last year's legislation that makes that legally possible.

Mr. KILBURN. Is there very much of that?

Mr. STEIN. Yes, sir; a good deal of it.

Mr. MANASCO. Well, is it true, as reports come to this committee, that a lot of Government employees get to work say at 9 o'clock and they immediately go to the rest room to powder their face and smoke their cigarette and get back in and actually get on the job about 9:30, and when the bell rings at 4:30 they have already combed their hair and got dressed up ready to go?

Mr. STEIN. Well, it is my belief that where that is so it is not the fault of the individual employees.

Mr. MANASCO. It is the fault of the supervisor?

Mr. STEIN. The fault of the management for not arranging the work or not having it ready, because we know the Government employees are patriotic and willing to work.

Mr. MANASCO. Well, I do not know anything about it. That charge has been made to our committee that that is done. I am not making that statement as my opinion.

Mr. STEIN. I understand.

Mr. MANASCO. But the reason I make that inquiry is, it has come to us, and it has been called to our attention that a lot of Government employees could be stricken from the rolls and the same amount of production obtained if everybody would give a full day's work.

Mr. STEIN. I would like to say two things about that. In a limited number of cases it is true there is not a full use of the manpower of the Government employees.

Mr. MANASCO. That, of course, depends a lot of times on the supervisor, does it not?

Mr. STEIN. I am of the opinion it depends almost always not on the immediate supervisor but on the agency as a whole which has simply not planned its work properly.

Mr. MANASCO. Of course, sometimes they could not have much work because we might have some change in general orders.

Mr. STEIN. Yes.

Mr. MANASCO. It is not always the Government employee's fault he is idle?

Mr. STEIN. I do not think it ever is.

Mr. KILBURN. Do you have any amendment to this bill to suggest, to correct the situation where they work over 48 hours?

Mr. STEIN. I am puzzled about that because I think the bill as it stands is perfectly clear about it, last year's bill and this year's bill.

Mr. RANDOLPH. You mean the administration?

Mr. KILBURN. The administration.

Mr. STEIN. It would be unfortunate to have to put in a special provision to say "This bill must be carried out," but it is a problem, it is a problem.

Thank you for your attention, gentlemen.

Mr. RANDOLPH. Thank you, Mr. Stein, for your testimony.

STATEMENT OF GEORGE L. CONNELL, PRESIDENT, NATIONAL CUSTOMS SERVICE ASSOCIATION

Mr. CONNELL. Our organization is composed of civil-service employees in the Customs Service of the United States. They are men and women who have been and are making a career of Government service—the permanent staff of the Federal structure. For the permanent civil staff there are no high salaried war jobs. War brings more exacting responsibilities and more difficult living conditions for the Government employee. Necessarily we look to Congress for a fair adjustment of our salaries to meet the increasing burden of a wartime economy. In the past we have had every reason to be grateful for the interest and sympathy displayed by the National Legislature toward our problems and it is therefore with justified confidence that we address ourselves to you in support of the fundamental purposes of H. R. 1860.

There is no need to elaborate upon the urgent necessity of the pay adjustment provided in the bill and for that reason we shall content ourselves with pointing out some respects in which, we respectfully submit, it could be improved by amendment.

On line 23, page 2, after the comma following the word "basis" we recommend that the following be inserted: "or whose workweek is administratively fixed at 40 hours or less."

In the Customs Service we have a group of employees who act as storekeepers in bonded warehouses. Their salaries are reimbursed to the Government by the private interests operating the warehouses to which they are assigned. By mutual agreement these warehouses usually keep open 8 hours per day and 5 days per week, remaining closed on Saturday. Prior to the passage of Senate Joint Resolution 170 it was the practice to require these storekeepers to report for duty in the customhouse on Saturday mornings and put in a half day's work there. With the passage of the joint resolution this practice was discontinued and the workweek of the storekeepers fixed at 40 hours. We feel that had Congress contemplated a situation wherein regular full-time employees would be employed no more than 40 hours per week, provision would have been made for the application to them of the flat percentage increase in lieu of overtime. We strongly urge upon the subcommittee that the inequitable overtime situation of the storekeepers be corrected by the adoption of the amendatory language set forth. The proposed amendment is couched in general terms so as to include employees in other branches of the Federal service who may be in a like situation.

On line 5, page 3, after the word "annum" we recommend that the period be replaced by a colon and the following clause added:

Provided, That in no case shall the additional compensation authorized by this section or the overtime compensation provided for in section 2 be at a lesser rate than will produce the sum of \$350 per annum.

As we see it the twofold purpose of H. R. 1860 is to provide a fair recompense to Federal employees for the longer hours of work demanded of them and to make it possible for them to earn either through the authorization of payment for overtime or through a percentage salary increase, a sufficient sum to bridge in part the gap between family budgets based on pre-war fixed salary scales and war-time living costs. Many of our low salaried customs employees are on a 44-hour week and the approximately 15-percent overtime which this bill provides falls far short of meeting the increased dollar cost of their basic needs for food, shelter, and so forth. The \$350 figure is gleaned from newspaper and magazine accounts of price studies and surveys and from the experience of our own people. It is an approximation expressed in dollars per annum of the increased cost, despite price ceilings and rationing, of those commodities and services which are the minimum requirements for the maintenance of a family on a decent level. Congress has already in Senate Joint Resolution 170 placed a ceiling on the rate at which overtime may be paid and this bill maintains that policy. With that we are in agreement. However, we feel that with equal justice there should be a floor under the rate of overtime payable and we petition the subcommittee to incorporate such a provision in the bill.

On line 2, page 5, after the sentence ending with the word "agencies" insert the following language:

Where reductions in personnel are made under this section either by the heads of departments or agencies of their own volition or on the order of the Director of the Bureau of the Budget, employees shall be released in the inverse order of their seniority in the affected department or agency insofar as such action can be taken without impairing the efficient operation of the department or agency.

Our purpose in offering this amendment is to protect, as far as possible, the career employees of the Federal Government. In the Customs Service and elsewhere, the curtailment of work by reason of the war and the lengthening of working hours are making possible a substantial reduction in the personnel. Most of those who will be released will readily be transferred by the Civil Service Commission to other Federal agencies. But we are looking ahead to the post-war period when these employees having been dropped by the agencies to which they had been transferred for the duration seek to return to their customs jobs. They are entitled to reinstatement only if a vacancy exists. The ending of the war will not bring an overnight resumption of foreign trade. Conceivably a very long time might elapse before customs business reaches its peacetime volume and in consequence Congress might not see fit for a long period after the war is over, possibly for years, to reconstitute the Customs Service at full strength. For many of these transferred Customs employees then, there would exist no vacancies to which they could return. Our people ask no special privilege in this matter. They wish only that which is fair, just, and workable. We submit that the proposed amendment to section 7 meets that specification in every particular. There is nothing unfair, unjust, or impracticable in drawing a distinction, when a choice

must be made, between the employee who has devoted years to his job and the employee, however worthy, who is a recent addition to the force. We think it is not too soon for Congress to enunciate a policy on this subject.

In closing we wish to express to the chairman and the other members of the subcommittee our appreciation for this opportunity to express our views.

Mr. RANDOLPH. At this point, our witness will be Mr. John J. Barrett, president of the United National Association of Post Office Clerks, and chairman of the National Legislative Council of Federal Employee Organizations. He desires not to take the time of the committee for personal appearance, but, without objection we will file his statement.

STATEMENT OF JOHN J. BARRETT, PRESIDENT OF THE UNITED NATIONAL ASSOCIATION OF POST OFFICE CLERKS, AND CHAIRMAN OF THE NATIONAL LEGISLATIVE COUNCIL OF FEDERAL EMPLOYEE ORGANIZATIONS

Mr. BARRETT. My name is John J. Barrett, president of the United National Association of Post Office Clerks, and chairman of the National Legislative Council of Federal Employee Organizations.

The bill now under consideration exempts postal employees in the field service from its provisions. I believe the reason for this exemption is due entirely to the fact that the administering of Senate Joint Resolution 170 in the field service of the Post Office Department has brought about a chaotic condition in the field service.

When Congress enacted Senate Joint Resolution 170 it was generally understood that all it would do was to pay overtime to all employees at a time-and-one-half rate on a 360-day-a-year basis. This in itself seemed simple enough to do. However, the Post Office Department, for reasons best known to it, requested the Comptroller General for an interpretation of the law. As a result of his decisions we found to our great regret that many of the benefits enjoyed for years by postal employees had been lost to them. Outstanding among the losses was to be found the Reilly 8-in-10-hour law made effective July 1, 1913—30 years ago.

Senate Joint Resolution 170 rendered the Reilly 8-in-10-hour law null and void. We know from talks with members of your committee and Post Office Department officials that it never was the intent of Congress to nullify the Reilly law. It means so much to the postal employee. Prior to its enactment it was the practice of postmasters to order an employee to report for work at 6 a. m., work him 1, 2, 3, or 4 hours, and swing him until 6 p. m. to finish his 8 hours. This meant that it required 16 hours for the employee to perform 8 hours' work. The Reilly 8-in-10 hours never did prevent an employee from working overtime if the exigencies of the Service required.

The principle of time and one-half for overtime on the actual working hours has become the law of the land. Why exclude postal employees from its benefits?

If this committee will accept two amendments to this bill I believe it can be made to work satisfactorily to the Department and employees of the field service.

Amendment No. 1: Insert a provision protecting the Reilly 8-in-10-hour law.

Amendment No. 2: Pay overtime on a daily rather than a weekly basis.

I thank you.

Mr. RANDOLPH. Thank you, Mr. Barrett. We will have now the president of the National Rural Letter Carriers' Association, Mr. Wiley M. Riedel.

Mr. WALTERS. Mr. Chairman, I am here instead of Mr. Riedel, this morning. With your permission I would like to file a short brief by Mr. Riedel, with the committee.

Mr. RANDOLPH. Yes, sir; without objection. You have his correct name, here?

Mr. WALTERS. Yes, sir.

STATEMENT OF WILEY M. RIEDEL, PRESIDENT OF THE NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

Mr. RIEDEL. My name is Wiley M. Riedel. I serve a rural route at my home in Madison, Ind. I am president of the National Rural Letter Carriers' Association, and in this capacity I represent 28,066 members in good standing.

It has been stated that every rural letter carrier is a post office on wheels, because in addition to delivering the mail rural carriers offer for sale every service supplied by the largest post office in this country.

In giving this service to rural America rural letter carriers drive 1,420,970 miles each workday of the year. They serve over 8,000,000 families and over 29,200,000 patrons.

The Rural Free Delivery Service was composed of 45,315 rural carriers in 1926, and on June 30, 1942, according to the Postmaster General's report which has just recently been released there were 32,292 carriers in the service. During this same period the cost of rural service has decreased from \$103,443,973 to \$91,631,650, thereby effecting an annual saving of \$11,812,323. This saving has been brought about by the consolidation program in which the rural carriers have very readily cooperated.

As you gentlemen know we are paid on the mileage basis. That means that we have so much work to do each day regardless of whether it consumes 7, 8, 9, 10, or more hours. Time is not considered. The rural carriers complete each day's work regardless of the number of hours required in performing this duty.

A standard rural route is 30 miles in length. For this we are paid \$60 per mile per year, which is \$1,800 annual salary. For each additional mile above the standard length of 30 miles we are paid \$20 per mile per year. The annual average salary of rural carriers throughout the United States today is \$2,069.

We believe we are justly entitled to an increase in our salary in order to meet the corresponding increase in costs of living. If we are to continue to allot 10 percent or more of our salary in War bonds and if we are to continue to meet our monthly bills and to carry our fair share of the tax program we must be given a salary adjustment in line with other laborers.

We are required to furnish our own equipment and to maintain same. For this we are paid 5 cents per mile in addition to our base pay. With soaring costs of cars, tires, gasoline, and repairs the 5

cents per mile does not cover the actual expense of operating our vehicles over the rural routes. Labor in practically all garages has increased from 30 to 45 percent and it is becoming difficult to have our automobiles serviced at all in some sections of the country due to manpower shortage.

With this brief background as pertaining to rural carriers we plead with you gentlemen to seriously consider passing legislation which will grant sorely needed financial relief to rural carriers from their present status. We want to be fair and honestly believe we are when we respectfully ask to be granted at least a 15-percent increase on our base salary and at least 15 percent increase on our equipment allowance.

We want to assure you that our organization is back of the all-out war effort 100 percent. We are performing many patriotic services besides our regular duties as rural carriers.

We appreciate the opportunity of briefly presenting the plight of the rural letter carriers to you gentlemen and we thank you for your courteous attention. We look hopefully to you for relief.

We thank you.

Mr. RANDOLPH. Thank you, Mr. Riedel.

STATEMENT OF THOMAS GORDON WALTERS, RURAL LETTER CARRIER, TOCCOA, GA.

Mr. RANDOLPH. You may give your name and the position you hold.

Mr. WALTERS. Mr. Chairman and members of this committee, by way of introduction I would like to state that my name is Thomas Gordon Walters, rural letter carrier, of Toccoa, Ga. I am one of the seven men elected by duly authorized delegates at our national convention to serve as national officers and commonly known as board of control, National Rural Letter Carriers Association. We appear before you in the interest and on behalf of the 28,066 members of our organization, all in good standing.

We are sure that no man is better acquainted than Members of Congress with the fact that living costs continue to rise, and we are asking you and all Members of Congress to give rural carriers some relief in the form of salary increases.

The passage of the joint resolution S. 170 last December gave rural letter carriers a 10 percent increase on base pay for 5 months. On behalf of the rural letter carriers I would like to pause long enough to publicly and personally thank you and all Members of Congress who helped in any way to pass this resolution, which gave not only rural letter carriers but all postal employees a temporary salary increase.

Rural letter carriers have not enjoyed a permanent salary increase since 1925. In the Salary Readjustment Act effective July 1, 1934, our salaries were scaled downward about \$7,000,000. The basic salaries of rural carriers under the act of July 1, 1934, were cut \$11,000,000, and we were given an increase of \$4,000,000 in equipment allowance. With these figures we received a reduction in total salaries of \$7,000,000.

The membership of our organization want to be fair and are anxious as good Americans to carry our part of the war load. I believe that we all agree that living costs have increased about 25 percent since 1934, and the cost of owning and maintaining an automobile has increased more than 25 percent. The rationing of cars, gasoline, and

tires, and the scarcity of parts and mechanics enter into the increased cost of equipment.

Considering this question from all angles we are sure that we are being fair when we appear before you and Members of Congress asking and pleading with you to give rural letter carriers at least a 15 percent increase on base pay and at least a 15 percent increase on equipment allowance for the duration or until living costs recede to pre-war levels.

I thank you for the opportunity of appearing before you and briefly stating our desires. We would be glad to attempt to answer any questions that you gentlemen would care to ask pertaining to Rural Free Delivery Service.

Again I thank you for your time, your interest, and your sympathetic understanding.

Mr. RANDOLPH. Just at that point I cannot refrain from saying that rural free delivery had its actual birth in the congressional district that I represent, and the first route was established out of Charles Town in Jefferson County. It came about through the leadership of the former Member of Congress from that district, who was also Postmaster General at that time, the Honorable William L. Wilson.

I regret to take time now, on this point, but yet I think perhaps it will not clutter the record unduly.

Mr. KILBURN. I am very glad to have it, Mr. Chairman.

Mr. WALTERS. Along that line, Mr. Chairman, we would like to state that we from Georgia too are very proud of the Rural Free Delivery Service because it was a Member of Congress from my State that was coauthor and coworker with the Honorable Thomas E. Watson, who helped promulgate that idea and theory.

Mr. RANDOLPH. Are there any other questions? Mr. Rees?

Mr. REES. Yes; one or two questions. You speak about a \$7,000,000 reduction. What was the percentage of reduction?

Mr. WALTERS. That question I am not prepared to answer, but I can answer it this way: Up until 1934 a standard route was 24 miles, receiving \$1,800. With each additional mile above 24 it was \$30 a mile.

Under the Reclassification Act of 1934, a standard route was 30 miles for \$1,800, and all miles in excess of 30 miles was \$20 per mile, so we were cut in the Reclassification Act \$10 per mile, for each additional mile, and 6 miles was eliminated.

Mr. REES. About what is the average mileage of the rural carrier now?

Mr. WALTERS. Around 43 miles.

Mr. REES. About 43?

Mr. WALTERS. Yes, sir.

Mr. REES. And he gets paid \$1,800 for 30 miles?

Mr. WALTERS. That is right.

Mr. REES. Then he gets how much extra?

Mr. WALTERS. \$20 per mile per year.

Mr. REES. In other words, if you have 13 more miles, you are paid \$2,600?

Mr. WALTERS. No.

Mr. MANASCO. No.

Mr. WALTERS. No, \$20 per mile.

Mr. JACKSON. \$260 additional.

Mr. REES. Yes. I should have said \$260.

Mr. WALTERS. The Postmaster General's report shows \$2,009 average salary on rural routes in the United States.

Mr. REES. That is besides the pay the carrier gets for keeping up his equipment?

Mr. WALTERS. That is right.

Mr. REES. How much does the rural carrier get?

Mr. WALTERS. Five cents a mile.

Mr. RANDOLPH. Just at that point, you said the average route was 43 miles?

Mr. WALTERS. Well, approximately.

Mr. RANDOLPH. Approximately. Taking the country as a whole, what percentage of that 43 miles would be improved or hard-surfaced road?

Mr. WALTERS. The latest figures that I recall, from a survey made a few years ago—it has been some 6 or 8 years ago; it has been decreased now, the number of unimproved roads—at that time if my memory serves me correctly it was about 65 percent of unimproved roads at that time, but that has been greatly reduced.

Mr. RANDOLPH. You would say probably 45 or 50 percent, about, is unimproved?

Mr. WALTERS. I would say that would be a fair estimate.

Mr. RANDOLPH. The reason I say that, I have seen the rural carriers in my State of West Virginia actually being pulled out of the mud time and time again in the discharge of the duty of taking the mail from one point to another. I pay tribute to the loyalty and to the stamina of these men in many instances, and certainly in any pay-raise legislation they are deserving the most careful consideration.

Mr. WALTERS. Thank you.

Mr. REES. You are in favor of a 15 percent straight raise as provided by this bill?

Mr. WALTERS. Yes, sir; we are, for this reason. We feel that if the salaries up to the present time have been on equality, then the fair method of administering would be a percentage basis. We have no objections to round figures but we just feel that our membership if they have been satisfied with the standards of wages up to the increase in living cost, then a percentage basis would be a fair and equitable plan to follow.

Mr. REES. This would be an increase of approximately \$300 a year?

Mr. WALTERS. That is right.

Mr. REES. And that is the reason you prefer this measure to the one that is now pending before the Post Office Committee?

Mr. WALTERS. Well, another reason. We are about the only group, not particularly the only group but we are the largest group of post-office employees who furnish and maintain their own equipment, and the cost of equipment has really advanced more than the cost of living due to many reasons. You take as an average down in my section of the country we have been able to trade automobiles for around \$275 a year, and now I think the fair average would be between \$400 and \$500, because the dealers do not have many automobiles and they are not anxious to trade. They will sell you an automobile on a straight sale, if you have proper papers to get it with, but when it comes to the resale value it is just almost out of the question.

Mr. REES. Then you are asking for this 15-percent increase in salary, which is about \$300?

Mr. WALTERS. That is right.

Mr. REES. And also a 15-percent increase in equipment allowance?

Mr. WALTERS. In the equipment allowance.

Mr. REES. Are you asking for any increase in mileage?

Mr. WALTERS. No.

Mr. REES. The 5-cent mileage stands?

Mr. WALTERS. That is right.

Mr. REES. How much is your equipment allowance now?

Mr. WALTERS. One cent a mile will add up approximately four million; 15 percent would be approximately three quarters of a million dollars a year.

Mr. REES. I was just trying to think how much it would be for each mile you covered.

Mr. MANASCO. Mr. Rees, our committee would not have any jurisdiction over the mileage part of it.

Mr. REES. No, but Mr. Walters mentioned in the testimony, that he is asking for that, I think.

Mr. KILBURN. He wants $5\frac{3}{4}$ cents a mile instead of 5 cents.

Mr. WALTERS. For the duration; yes, sir; that is right.

Mr. RANDOLPH. I assume you have presented these facts to the Post Office and Post Roads Committee.

Mr. WALTERS. Yes, sir; this is identically the same.

Mr. RANDOLPH. Are there any other questions? Were you through?

Mr. WALTERS. Yes, Mr. Chairman. Thank you very much.

Mr. RANDOLPH. We thank you for your testimony, Mr. Walters.

Our next witness is Oscar H. Grauer, representative of the Federation of Architects, Engineers, Chemists, and Technicians.

STATEMENT OF OSCAR H. GRAUER, LEGISLATIVE REPRESENTATIVE OF THE INTERNATIONAL FEDERATION OF ARCHITECTS, ENGINEERS, CHEMISTS, AND TECHNICIANS (CONGRESS OF INDUSTRIAL ORGANIZATIONS)

Mr. GRAUER. I am Oscar H. Grauer, legislative representative of the International Federation of Architects, Engineers, Chemists, and Technicians, affiliated with the C. I. O., representing two to three thousand scientific and technical workers in navy yards, ordnance places, and so on.

The International Federation of Architects, Engineers, Chemists, and Technicians, affiliated with the C. I. O., wholeheartedly endorse H. R. 1860. This bill for the first time introduces a sound, consistent overtime policy for Federal employees. We regard as real progress the method of computing overtime that this bill provides. The method of taking one two-hundred-and-sixtieth of the per-annum salary instead of one three-hundred-and-sixtieth, as the base pay for 1 day, gives true time and a half for work performed instead of time and one-twelfth.

This bill does not give the Federal employees any better treatment than is given to employees in private industry. As a matter of fact it still leaves the earnings of the Federal employee behind that of the employee doing similar work in industries. If the Federal employee's wages were governed by laws and decisions applying to industry there would be no question whether 360 or 260 constituted the base figure. The 260 figure would be definitely indicated. In addition, the "Little Steel" wage-stabilization formula would apply, and the base pay would be increased by 15 percent.

We wholeheartedly endorse the bill as it stands and we are particularly glad that this bill did not include a \$5,000 ceiling, because such a limitation would offer no incentive—financial incentive I will say, for promotion for the man who is getting \$4,800. Of course every one of our members and every American who is a true American will do his job to the best of his ability regardless of what his salary is.

We would like to make this amendment, that the \$2,900 limitation on which overtime applies be extended to \$3,200. We think \$3,200 would be a fair salary and would cover a larger number of technical employees and mechanics, who get about that rate.

Mr. RANDOLPH. You are offering then an amendment on page 2, line 14, to change the figure \$2,900 to \$3,200?

Mr. GRAUER. That is correct. Section 10 of H. R. 1860 states, "This act may be cited as the 'War Overtime Pay Act of 1943.'" If it is to be called the "War Overtime Act," let it be one in fact too, let the expiration date be 6 months after the duration, and not June 30, 1945, for who can prophesy with certainty? Why make it necessary to repeat this process in critical times?

Mr. RANDOLPH. Then the C. I. O. and the A. F. of L. got together, before this committee, on the subject of the effectiveness of the law? You remember Colonel Stengle said he would like to have that same provision.

Mr. GRAUER. I agree with Colonel Stengle in that respect. I think it shows a rather similar frame of mind on the problem, rather than a previous meeting.

Mr. RANDOLPH. Any questions? Thank you very much.

Mr. GRAUER. Thank you.

Mr. RANDOLPH. Our next witness is Mr. Edwin Alm, who represents three groups of Philadelphia Navy Yard employees.

STATEMENT OF EDWIN A. ALM, REPRESENTING THE DESIGN ALLIANCE, THE DESIGN SUPERVISORS ASSOCIATION, AND THE DEVELOPMENT ASSOCIATION, ALL OF THE PHILADELPHIA NAVY YARD

Mr. ALM. Mr. Chairman, my name is Edwin A. Alm. I have the pleasure of representing the Design Alliance, the Design Supervisors Association, and the Development Association, all of the Philadelphia Navy Yard. These organizations, although concurring with our major labor unions on issues involving Federal employees, are essentially independent. I greatly appreciate the opportunity of appearing before this committee, and wish to state that the Federal employees whom I represent wholeheartedly endorse H. R. 1860 with one exception, that is to say, the \$2,900 limitation as a basis of computing overtime pay.

We along with other Federal employee groups and organizations have continuously pleaded for and patiently awaited such legislation as would rectify the discriminatory provisions for payment of overtime to the Federal salaries and Federal per diem employees. We believe that H. R. 1860 will eliminate such discriminatory provisions if reference to the \$2,900 limitation as a basis of computing overtime pay, now contained in section 2, be deleted.

Since the act of March 28, 1940, which did not completely satisfy the salaried employees' overtime pay requirements, subsequent similar

eleventh hour joint resolutions and stopgap legislation has kept the salaried employees on edge and tended to break down their morale, which is so essential in wartime. We therefore make the appeal that this bill be read out of committee, with the above-mentioned deletion, giving salaried employees the same basis for payment of overtime as now afforded both per diem Federal employees and private industry employees.

We compliment you, Mr. Chairman, on the removal of the \$5,000 limitation, as, in the present overtime bill, it has definitely caused a reduction in income to certain groups of employees, which, we do not believe, was the intention of the \$5,000 limitation. To illustrate, we set forth the following examples:

(1) A salaried employee at the Philadelphia Navy Yard earning a base salary of \$4,600 a year, working under the regulations existing prior to the enactment of Public, 821, earned for the year 1942 a total of \$6,100, which consisted of base plus overtime pay. Under the regulations of Public, 821, this same employee can earn only \$5,000 per annum, representing a reduction in income of \$1,100.

To carry the illustration further, this same employee has since been promoted to a position paying a base salary of \$5,600 per annum. Under the existing regulations, in spite of the fact that he has received a promotion and assumed increased responsibilities, he has been given, in effect, a \$500 per annum reduction in income.

(2) Based on a decision by the Comptroller General, in the interpretation of Public, 821, a salaried employee whose base salary is less than \$5,000 per annum cannot earn more than \$208.33 per semimonthly pay. It follows then that an employee with a rate of P-5, earning \$4,600 per annum, exercising supervisory duties over an employee with a rate of P-4, earning \$3,800 per annum, will actually receive less in his pay check than will his subordinate, inasmuch as the base pay of each is subject to a 5-percent deduction, withheld by the Government toward retirement. This means a difference in semimonthly income of \$1.67 less for the supervisor than for his immediate subordinate.

Therefore, gentlemen, the elimination of the \$5,000 ceiling is one of the reasons why we endorse H. R. 1860.

We further compliment you, Mr. Chairman, on inserting the basis of computing the daily rate of pay on one two hundred and sixtieth of the basic annual salary in lieu of the one three hundred and sixtieth as in the present overtime bill. This particular phase of the present overtime bill has caused no end of dissatisfaction among Government employees and has been the cause of unfair inequalities. We again set forth a typical example showing the effect this has in the pay checks of salaried employees.

A first-class painter in the per diem group at the Philadelphia Navy Yard earns a basic wage of \$2,600 per year and a salaried employee rated at P-2 earns likewise a basic salary of \$2,600 per annum. Based on a 40-hour workweek the painter receives \$15 for his Saturday pay whereas the P-2 employee receives \$10.83 for his Saturday pay representing a difference in income of \$4.17. On a yearly basis this represents a difference in income of \$216.84 for the salaried employee.

Therefore, gentlemen, the substitution of one two-hundred-and-sixtieth in lieu of one three-hundred-and-sixtieth as the basis for computing the daily rate of compensation of salaried employees is the only fair and just means of correcting this situation and is another reason for our endorsing H. R. 1860.

We repeat that the \$2,900 limitation for payment of overtime should be deleted inasmuch as it is but a half measure and will if not eliminated still leave inequalities within the Federal employee groups. To illustrate its effect we set forth the following facts:

All salaried employees who by their initial qualifications and meritorious services have achieved positions in the Federal employ, compensated by an income in excess of \$2,900 per annum, are penalized whereas per diem employees having similarly achieved comparable positions have no restrictions imposed on the computation of their overtime pay.

In summarizing we appeal to this committee to report favorably on H. R. 1860 as written, with the exception noted above, inasmuch as we feel that the opportunity is again presented to rectify some of the injustices that have been prevalent within our Government family.

Mr. RANDOLPH. Thank you, Mr. Alm. We are glad to have your testimony.

Mr. KILBURN. How many people do you represent?

Mr. ALM. About 2,000 Federal employees.

Mr. RANDOLPH. We have the pleasure now of hearing from Mr. Leo George, the president of the National Federation of Post Office Clerks, affiliated with the American Federation of Labor.

STATEMENT OF LEO E. GEORGE, PRESIDENT, NATIONAL FEDERATION OF POST OFFICE CLERKS (AMERICAN FEDERATION OF LABOR)

Mr. GEORGE. Mr. Chairman and gentlemen of the committee, my name is Leo E. George, president of the National Federation of Post Office Clerks.

Previous to making a statement I have been requested by Mr. Louis G. Hines, who represents the national legislative council of the American Federation of Labor, to state that the legislative council of the American Federation of Labor is in hearty accord with this legislation.

The organization that I represent is composed of the clerks in first- and second-class post offices throughout the United States. I do not want to discuss the merits of the legislation itself as I think you have gone pretty thoroughly into that and are familiar with all of the elements that enter into your consideration of whether it is good or bad legislation.

I am prompted however to make a statement, by the statement made by Mr. McReynolds, and I am sorry that I did not thoroughly understand one statement that he made, in reference to discussion with the President. I do not know whether he said he had discussed it with the President or whether he intended to discuss it with the President, but he made a statement that postal employees should not be exempted from this legislation.

Mr. KILBURN. Should what?

Mr. GEORGE. Should not be excepted from this legislation, but they should be included in this legislation, and that with reference to the legislation now before the Post Office Committee, as I recall, he said he would be delighted to recommend its veto if it were adopted by Congress. I think that is a rather arbitrary attitude for anyone to take in making a statement before a congressional committee. I think it is trying to determine in advance the action of a committee or of the Congress, the entire Congress itself.

Now we have had introduced and being considered by the Post Office Committee a bill to grant a temporary increase in basic pay for the postal employees in the field service. We feel that that is where it should be considered and we know that the type of legislation that we have requested is much more satisfactory, much more practical as far as the field service of the Post Office Department is concerned, than legislation of this type that applies to the entire Federal service.

As you will recall in the closing days of the last Congress there was a temporary bill adopted in which all employees were included. Since about 1883 legislation affecting the Postal Service and the postal employees has been considered by the Post Office Committee. The type of work in a post office cannot be coordinated with the type of work in an office of the other Government departments, and they cannot all be considered and the conditions determined under blanket legislation.

As the result of the temporary legislation that was enacted in the closing hours of the last Congress and the interpretations placed upon it and the decisions of the Comptroller General, legislation that has been on the statute books since 1912 has been shoved aside, the schedules of hours have been changed, and our members feel that they are in worse condition today than they would have been if they had been left out of that legislation entirely, and as a matter of fact the employee who works 48 hours a week and is drawing overtime pay would only receive in the neighborhood of \$90 a year more than he would receive under the legislation already on the statute books.

At the beginning, or near the beginning of the last Congress we requested the committee to consider a salary adjustment, and I want to say we were not unmindful of all these other conditions. I am sorry that the time is so limited but I wanted to refer briefly to the statements made by Mr. Manasco. During those depression years that he referred to we took a salary reduction. We took a salary reduction as high as 28.5 percent, and we had that reduction for about 3 years, and that reduction was made upon the argument that conditions had changed, and that conditions had gone down, and that the cost of living had been reduced. Well, if the principle was sound then, and the principle is sound now, there should be an upward revision to take care of what is very conservatively estimated as a 21 percent increase in pay and about a 60 percent increase in outside wages.

As to the matter of employment it is true that there were many individuals seeking employment with the Government at that time but it was not because of the higher wages in Government service, it was because they had no jobs on the outside, that they were seeking Government employment, and at the present time they are not seeking that employment except in certain instances where they are unable to secure employment on the outside.

Now another thing that is highly important, in the Postal Service, organized as it is and as it must necessarily be, it is necessary to employ large groups of part-time temporary employees known as substitutes—clerks, carriers, railway mail clerks, laborers, and so on—and where there was an arbitrary increase to 48 hours a week there was no reduction of manpower in that, even. It was merely a transfer of the employment to the regular employee, with the result that many of the substitutes had their rate of pay increased by 10 percent under that temporary legislation and had their hours reduced all the way from 30 percent to 90 percent and consequently they suffered greatly by that legislation.

Now the legislation before the House Committee on the Post Office and Post Roads has the entire unqualified endorsement of all of the organizations of postal employees affiliated with the American Federation of Labor, which is the great majority of the postal employees in the field service.

Mr. REES. What you are asking then is that you not be considered under this bill but that your problem be taken care of with the Post Office and Post Roads Committee?

Mr. GEORGE. Exactly. We are asking just the exact opposite of what Mr. McReynolds urged.

Mr. GALE. You want to be left out of this bill?

Mr. GEORGE. Yes.

Mr. MANASCO. You have reason to believe that bill would be vetoed though, have you not?

Mr. GEORGE. Well, if we were assured in advance that that bill would be vetoed and that the Congress would not pass it over a veto we would perhaps ask some amendments to this legislation to take care of the Postal Service.

Mr. MANASCO. I wish you would give them, because we were frankly assured by the mouthpiece of the President that it would be vetoed.

Mr. GEORGE. Yes; but I am not so sure that Mr. McReynolds is speaking for the President, and I am not sure that he is speaking for the Congress. At least I hope he is not.

Mr. RANDOLPH. He did not attempt to speak for the Congress.

Mr. MANASCO. No; he did not attempt to speak for the Congress.

Mr. RANDOLPH. But he was speaking for the President.

Mr. MANASCO. He was mighty close to the President.

Mr. GEORGE. I was not quite clear whether he made that statement after consultation with the President or that he would consult with the President. My personal opinion is that he has not consulted the President.

Mr. RANDOLPH. Thank you, Mr. George, for your testimony, and if you desire to supplement your statement with any written testimony later you may make it a part of the record.

Mr. GEORGE. Thank you.

Mr. RANDOLPH. The next witness is Edgar G. Brown, director of the National Negro Council, and president, United Government Employees, who I believe stated he would need about half a minute.

STATEMENT OF EDGAR G. BROWN, PRESIDENT, UNITED GOVERNMENT EMPLOYEES, DIRECTOR, UNITED NEGRO COUNCIL

Mr. BROWN. Yes, Mr. Chairman, matters have developed here, that will make it necessary for me to take a little longer.

I would like first to ask if I may include in my testimony the commendation a few days ago of several Members of the House for a colored man by the name of Mr. Sam Hardy, indicating the kind of service that colored people render as Government employees.

Mr. RANDOLPH. This is published in what newspaper?

Mr. BROWN. The Afro-American, the Chicago Defender, several out-of-town newspapers, and also in the Star of Washington.

Mr. RANDOLPH. What is the pleasure of the committee? Without objection, put it in the record.

Mr. BROWN. Thank you.

(The newspaper clipping is as follows:)

HOUSE HONORS SAM HARDY FOR 35 YEARS OF SERVICE

By Harry McAlpin Chief, Defender Washington Bureau

WASHINGTON.—With ringing words of praise and hopes for continued health and service, the House of Representatives last week paused to pay homage to an employee who has spent 35 years serving the Ways and Means Committee.

He is Sam Hardy, who has survived political changes and upheavals and served under eight different chairmen of the committee. Only one Member of the House of Representatives who was in that body when Sam Hardy entered on his duties is still there. He is Representative Adolph J. Sabath of Illinois.

Five years to a day after Sam Hardy entered on his job he was married—and so he celebrates 35 years on the same job and 30 years with the same wife all in one.

He is held in high esteem by all the members of the committee, Representative Jere Cooper (Democrat) of Tennessee, in paying tribute to him, said: "No man in the Government service has rendered more loyal and efficient service than has Sam Hardy, and I am sure we all appreciate the valuable service and assistance he gives us as members of this committee."

Representative Harold Knutson, of Minnesota, declared: "He is more than faithful, he is an indefatigable worker; he can lay his hands on any document that we want at a moment's notice. He is always cheerful and obliging, and the Ways and Means Committee would not be the same without Sam."

Sam's reputation for his memory is known throughout the Congress. He is more than a messenger, though that is his official title.

He is in full and complete charge of five large storerooms crowded with thousands of documents relating to matters within the jurisdiction of "his committee."

Sam is also in charge of the committee library, which contains many irreplaceable documents, all volumes of the Congressional Record from 1789 to the present and the United States Reports from volume 1 to the current edition.

During hearings on tax bills, as are now in progress, Sam works night and day. He feels a personal responsibility for everything that happens in "his committee."

Yet, he finds time to be secretary and financial secretary to the board of stewards of the Metropolitan A. M. E. church, a function he has performed for 23 years.

Representative Thos. A. Jenkins, of Ohio, once said: "Samuel Hardy is my friend and he has demonstrated it many times. I am his friend, but maybe I have not demonstrated it as much as I should. I am his friend because I recognize in him some of the finest traits of character. * * * In a way he is as much a part of this Congress and the activities of the Government as any of us. He has not been elected but he has been selected year after year for over 30 years, and his standing with those responsible for his appointment is as high as it could possibly be."

Hardy served under the following chairmen of the Ways and Means Committee: Sereno E. Payne of New York, Oscar W. Underwood of Alabama, Claude Kitchin of North Carolina, Joseph W. Fordney of Michigan, William R. Green of Iowa, James W. Collier of Mississippi, Willis C. Hawley of Oregon, and Robert L. Doughton of North Carolina.

Mr. BROWN. I represent a great many postal employees, including a number of laborers. They are very anxious to be included in this legislation. We are in favor of the benefits inuring to the custodial workers in particular. We agree with what has been said here, that there has been a failure to enforce the law which you have passed. Many people failed to get their increases promptly for overtime and the pay increase. I think there ought to be something put in this law in the way of amendment just as Congress has proposed through the Ways and Means Committee to wipe out the \$25,000 law. Congress has to be specific or the executive departments will not carry out the legislation as intended. We have had a great deal of difficulty with the War Department and at the Post Office equipment shops and in other agencies, where they still have not received the increases by public law up to the \$1,200 minimum.

I wish to urge the setting up of a \$1,500 minimum wage in this bill for all Government employees. We think that ought to be done at this time.

It appears strange that any witness representing a great many Federal employees in the Navy or anyone in the Government would not be able to answer whether colored citizens are admitted in those unions of machinists, virtually operating under a "closed" shop agreement with the Government. The fundamental question has been raised here about those unions. Over in the Bureau of Engraving the printers have practically a "closed" shop, and the Navy people in behalf of whom the gentleman testified here should end this discrimination. Why did not the machinists' spokesman answer, that they do bar Negroes from being machinists. Is he ashamed of this action or is he defiant?

They do bar colored workers from doing the work that ought to be done to help win the war as soon as possible. Do they want, as one person said, to have the chickens of racial prejudice to come home to roost in the white bones of our boys, colored and white, all over the world, because they do not get the ammunition of war they ought to have because of unions discriminating back home, in the shadow of the Capitol of the United States. They call themselves patriotic, barring American citizens who are colored, violating the rights guaranteed by the Constitution regardless of race, by denying them employment with other Americans, despite the President's Fair Employment Practices Committee. They have entirely ignored it and oft repeated admonitions of the Chief Executive. They still come in here and ask Congress to do things to protect and advance their welfare and use these advantages to discriminate against other American citizens because of their race.

We strongly oppose this hateful conduct. It smells of nazi-ism, as indicated here by the attitude of this witness for the American Federation of Labor, and the machinists' group particularly, that callously continues in their denial to colored citizens of the right to work, as master mechanics, in the navy yards and elsewhere. I think it ought to be written into this law that any union that forbids American citizens membership and employment in these Government positions on

account of race ought to be denied the benefits of this legislation. It is in violation of the United States civil-service statutes and the Mead-Rainspeck law, Public, 880, Seventy-sixth Congress.

Mr. RANDOLPH. Just at that point, the National Negro Council is in no wise a labor organization?

Mr. BROWN. No. I happen, also, to be the president of the United Government Employees.

Mr. RANDOLPH. Oh, I am sorry.

Mr. BROWN. I am director of the National Negro Council.

Mr. KILBURN. How many people do you represent?

Mr. BROWN. I represent about 4,000,000.

Mr. KILBURN. I mean, in the Government service.

Mr. BROWN. About 20 or 30 thousand in the Government service.

Mr. RANDOLPH. What is the percentage of Negro population in the United States?

Mr. BROWN. Approximately 10 percent according to the latest census.

Mr. RANDOLPH. What is the percentage of Negro employment in the Federal Government?

Mr. BROWN. We have no break-down. It is estimated to be about 8 percent.

Mr. RANDOLPH. Then you do not believe that the percentage of employment is up to the percentage of population?

Mr. BROWN. Not in the skilled and administrative positions.

Mr. RANDOLPH. Pretty close to it?

Mr. BROWN. No.

Mr. KILBURN. You have not been discriminated against by the Government service then?

Mr. BROWN. We have in the grades, I have just pointed out, in the upper brackets, these skilled positions, represented by the American Federation machinists' and printers unions.

Mr. RANDOLPH. That is not a policy that you would charge to the Government or Congress?

Mr. BROWN. To the unions and many administrators. It is in civil-service law that there shall be no racial discrimination, and the Constitution is quite clear on the matter. For 57 years, the civil-service laws prohibited discrimination because of religion and politics, then 3 years ago under that legislation—Public, 880—discrimination on account of race was prohibited by the action of this very committee, headed by Congressman Ramspeck. It ought to be stated specifically in here that the law should be carried out, and they should not be able to get away with this flagrant and unjust action. These private organizations and unions that want every right for themselves should remember the Golden Rule, read the law, and live up to it, especially in these wartimes, with 450,000 colored soldiers fighting and dying for democracy, too.

Mr. RANDOLPH. Any questions of the witness?

Mr. BROWN. Thank you, Mr. Chairman and members of the committee.

Mr. RANDOLPH. As our next witness we have Mr. Fracker.

STATEMENT OF S. B. FRACKER, REPRESENTING THE ORGANIZATION OF PROFESSIONAL EMPLOYEES OF THE DEPARTMENT OF AGRICULTURE

Mr. RANDOLPH. Mr. Fracker, if you will, recognizing the hour, just tell us who you are.

Mr. FRACKER. I am representing the organization of Professional Employees of the Department of Agriculture, with a membership of about 1,500 of the Department staff in the professional and administrative services.

We are appearing in favor of bill 1860 as it stands and are not suggesting any amendments, and our comments on it refer primarily to congratulating the committee on eliminating the \$5,000 limitation which has resulted in certain inequities which have been pointed out by the witnesses.

Mr. RANDOLPH. Your statement then will cover those subjects?

Mr. FRACKER. They will; yes, sir.

The Organization of Professional Employees of the Department of Agriculture, an association of some 1,500 members of the Department staff in the professional and administrative services, wishes to express its support of overtime pay legislation for Federal employees and its recommendation that legislation on this subject should cover all Government employees without regard to salary level.

In view of the manpower shortage during the war emergency, the profession employees are pleased to be able to contribute to the success of the war effort by complying with the 48-hour week and by submitting to the high income taxes which are essential to financing the war effort. We believe that overtime should be compensated in order to enable the employees to meet increased living costs and have no objection to establishing a rate of overtime compensation based on that part of the salary which does not exceed \$2,900 per year.

The temporary legislation now in effect establishes a salary ceiling of \$5,000 over which no overtime pay is permitted. The Organization of Professional Employees recommends that this limitation be eliminated as provided for in bills H. R. 1860 and S. 635. The three primary reasons for asking the elimination of this \$5,000 ceiling are (1) that Federal Government salaries for professional employees are considerably below those paid in private industry; (2) that the present high income-tax rate, necessary as it is, takes such a very large proportion of professional salaries that it leaves employees with inadequate means of meeting increased living costs; and (3) that the ceiling is entirely inequitable in relation to the provisions for other employees.

The most careful and exhaustive analysis of earnings of professional men published in recent years is the approved report of the Committee on Economic Status adopted recently by the American Chemical Society and published in several issues of the Chemical and Engineering News in November and December 1942. About 25,000 members of the society were included in the study. The Society found that on all experience levels, the salaries of chemists employed by private firms were higher than those employed by the Federal Government and that the discrepancies tended to increase with length of experience; for example, in 1941, according to table 32 on page 1640 of the December issue, chemists with 5 years' experience were receiving an average salary from the Federal Government of \$200 per month, while those

working for private firms averaged \$227. Those with 10 years' experience averaged \$251 from the Federal Government, and those with private firms \$306; those with 20 years' experience with the Federal Government averaged \$335, and those with private firms \$412. At 30 years, Federal employees received \$373 as compared with \$482 received by those in private firms. At 40 years, Federal employees received \$411 per month as compared with \$564 for those working with private concerns.

Contrary to the general impression, professional employees of the Government did not have a substantial compensatory advantage during the depths of the depression. Federally employed professional chemists received an average of \$248 per month in 1929 as compared with \$274 by those employed in private firms. The salaries of Federal employees in 1934 remained at \$249, substantially the same as in 1929, while those of private employees had dropped down to \$240. In 1941, salaries for such chemists in the Federal Government averaged \$263, while private salaries in the same positions had increased to \$304. It appears, therefore, that professional employment in the Government has no commensurate advantage over private employment which would justify Congress in discriminating against the higher salaried employees of the professional services in connection with overtime legislation.

We wish further to point out that the large number of deductions and taxes to which Federal salaries are subject leaves no resources to the higher salaried employees for covering increased living costs. Employees receiving more than \$5,000, almost universally, have lost their authorized family income deductions, because their children have reached ages of over 18, although still requiring heavy expenditures for a college education. Income and victory taxes amount to from 31 to 35 percent after the first \$1,200 in salary. The entire salary is subject to 5-percent retirement, and in many cases to an optional 10-percent bond-purchase deduction. These deductions leave some \$3,200 out of a \$5,000 salary, of which \$1,000 or more is likely to be needed for children in college; \$1,000 or more for rent and from \$500 to \$1,000 for life insurance commitments. It is obvious that the amount remaining available for food, illness, charity, education, and household operation is quite inadequate to enable the employees to provide a balanced budget without any possibility of meeting increased living costs.

Numerous inequitable features of the \$5,000 ceiling have been pointed out in the press. For example, under this plan, the balance left after taxes, becomes greater for the \$4,400 employee, temporarily raised to \$5,000, who is not subject to a retirement deduction on the overtime pay, than for the employee with a base salary of \$5,000 ineligible for the overtime provision, but subject to deductions on the full amount. Similarly where two members of the same family are working, they both have the advantage of the overtime clause, even though their combined salaries exceed \$5,000. In three cases of this kind called to our attention, husbands' salaries averaging \$4,050, have been augmented by \$621 apiece, and their wives' salaries averaging \$2,030 are increased by \$387 average overtime. The combined salaries of man and wife, totalling an average of \$6,080 for each family, are increased to \$7,088 by the overtime clause. Other families having only one member employed and receiving \$6,000, would under the

temporary legislation receive no advantage from the overtime provision.

We wish to emphasize the fact that professional employees are not objecting to assuming their share of taxation or the needed deductions for bond purchases and similar expenses. It is, however, necessary for us to rely on Congress for equitable action with regard to overtime compensation in order to enable us to meet increased cost-of-living obligations that cannot be avoided.

Thank you.

Mr. RANDOLPH. I would like to say to the members of the subcommittee that if agreeable we will just count the hearings not closed, but we will get together ourselves with perhaps the chairman of the committee, and we might continue the hearings next week for 1 day, although we will leave it open today as to the procedure that we will follow.

Mr. KILBURN. You will notify us when you want us?

Mr. RANDOLPH. Yes.

Mr. REES. I think we ought to leave it open.

Mr. RANDOLPH. That is right. We will not count the hearings as closed, except to say we have closed them, insofar as there have been requests to appear, and we will see if there are those that we would like to call, ourselves.

Thank you, gentlemen.

(Hearings tentatively closed.)

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LEGISLATIVE PRINTING AND SERVICE SECTION
Office of Government Printing

**OVERTIME COMPENSATION TO
GOVERNMENT EMPLOYEES**

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON CIVIL SERVICE
UNITED STATES SENATE
SEVENTY-EIGHTH CONGRESS
FIRST SESSION

ON
S. 635

A BILL TO PROVIDE FOR THE PAYMENT OF OVERTIME
COMPENSATION TO GOVERNMENT EMPLOYEES,
AND FOR OTHER PURPOSES

FEBRUARY 25, 26, AND MARCH 2, 1943

Printed for the use of the Committee on Civil Service



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OVERTIME COMPENSATION TO GOVERNMENT EMPLOYEES

THURSDAY, FEBRUARY 25, 1943

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON CIVIL SERVICE,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room 249, Senate Office Building. Senator James M. Mead (chairman) presiding.

Present: Senators Mead (chairman), George, Scrugham, Langer, and Burton.

Also present: Senator Brooks.

Senator MEAD. The committee will come to order.

We are meeting this morning to consider S. 635, a bill to provide for the payment of overtime compensation to Government employees, and for other purposes.

(The bill is as follows:)

[S. 635, 78th Cong., 1st sess.]

A BILL To provide for the payment of overtime compensation to Government employees, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall apply to all civilian officers and employees in or under the United States Government, including Government-owned or controlled corporations, and to those employees of the District of Columbia municipal government who occupy positions subject to the Classification Act of 1923, as amended, except that this Act shall not apply to (a) elected officials; (b) judges; (c) heads of departments, independent establishments, and agencies; (d) officers and employees in the field service of the Post Office Department; (e) employees whose wages are fixed on a daily or hourly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose; and (f) employees outside the continental limits of the United States, including Alaska, who are paid in accordance with local prevailing native wage rates for the area in which employed.

SEC. 2. Officers and employees to whom this Act applies shall be paid overtime compensation for work in excess of forty hours in any administrative workweek at a rate of one and one-half times their basic rates of compensation: *Provided*, That no overtime compensation shall be paid on any portion of an officer's or employee's basic rate of compensation in excess of \$2,900 per annum: *And provided further*, That in computing the overtime compensation of per annum officers and employees, the base pay for one day shall be considered to be one two-hundred-and-sixtieth of the respective per annum salaries, and the base pay for one hour shall be considered to be one-eighth of the base pay so computed for one day.

SEC. 3. Officers and employees to whom this Act applies and whose compensation is based upon other than a time-period basis, or whose hours of duty are intermittent, irregular, or less than full time, and officers and employees in or under the legislative and judicial branches to whom this Act applies, shall be paid additional compensation, in lieu of the overtime compensation authorized

under section 2 of this Act, amounting to 15 per centum of so much of their earned basic compensation as is not in excess of a rate of \$2,900 per annum.

SEC. 4. The Act approved February 10, 1942 (Public Law Numbered 450, Seventy-seventh Congress), and section 4 of the Act approved May 2, 1941 (Public Law Numbered 46, Seventy-seventh Congress), as amended, are hereby repealed.

SEC. 5. The provisions of the Saturday half-holiday law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec. 26 (a)), are hereby suspended for the period during which this Act is in effect.

SEC. 6. The provisions of this Act shall not operate to prevent payment for overtime services in accordance with any of the following statutes: Act of February 13, 1911, as amended (U. S. C., title 19, secs. 261 and 267); Act of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec. 394); Act of June 17, 1930, as amended (U. S. C., title 19, secs. 1450, 1451, and 1452); Act of March 2, 1931 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b); Act of May 27, 1936, as amended (52 Stat. 345; U. S. C., title 46, sec. 382b); Act of March 23, 1941 (Public Law Numbered 20, Seventy-seventh Congress): *Provided*, That the overtime services covered by such payment shall not also form a basis for overtime compensation under this Act.

SEC. 7. Within thirty days after the effective date of this Act, and every ninety days thereafter, the heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this Act, shall present to the Director of the Bureau of the Budget such information as he shall require for the purpose of justifying the number of employees in their respective departments or agencies. If any such department or agency fails to present such information or if, in the opinion of the Director, the information so presented fails to disclose that the number of such employees in any department or agency is necessary to the proper and efficient exercise of its functions, the personnel of such department or agency shall be reduced, upon the order of the Director, by such number as the Director finds to be in excess of the minimum requirements of such department or agency. Upon the expiration of thirty days from the date of issuance of such order by the Director, the provisions of sections 2 and 3 of this Act shall cease to be applicable to the employees of the agency affected by such order, unless and until the head thereof has certified to the Director that such order has been complied with. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section, whose services are needed in and can be effectively utilized by such other departments or agencies.

SEC. 8. The Civil Service Commission is authorized and directed to take such action and to promulgate such rules and regulations as may be necessary and proper for the purpose of coordinating and supervising the administration of the provisions of this Act, and for the purpose of adjusting present methods of converting annual rates of pay into daily and hourly rates for all purposes so as to conform with the method prescribed by this Act.

SEC. 9. This Act shall take effect on May 1, 1943, and shall terminate on June 30, 1945, or such earlier date as the Congress by concurrent resolution may prescribe.

SEC. 10. This Act may be cited as the "War Overtime Pay Act of 1943".

We will hear, as our first witness, William H. McReynolds, Administrative Assistant to the President, Executive Office of the President.

STATEMENT OF WILLIAM H. McREYNOLDS, ADMINISTRATIVE ASSISTANT TO THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. McREYNOLDS. My testimony will, I think, be brief; because the main purpose of my coming is to say that this is a bill that has been worked out in accordance with what the Administration has believed to be a fair basis for paying additional compensation during the time when salaries are higher and living costs are higher and the President approved the same thing last year, specifically, except

for the details of the method of computation and the percentage of bonus where overtime cannot be paid, and I have been hopeful that this could get through before the current authorized overtime pay ran out.

Commissioner Flemming has the details of the turn-over and the problems that the Civil Service Commission has run up against and can best present those details to you.

Senator MEAD. You say that the legislation is in keeping with the attitude expressed by the Chief Executive in similar legislative matters?

Mr. McREYNOLDS. That is true.

Senator MEAD. And that the committee might very well proceed with the understanding that the administration has no objection to the legislation as it is presented in this bill.

Mr. McREYNOLDS. I think the administration is very anxious that the principles laid down here should be adopted if Congress should see fit.

Senator MEAD. All right. That is a more definite statement and having that in mind, unless there are some questions to direct to Mr. McReynolds, we will ask Mr. Flemming, who has a more widespread knowledge of the details of the legislation and perhaps of the effects of the legislation, or lack of it, on Government personnel, to come forward, unless some member has some questions to ask Mr. McReynolds.

If not, I will ask Mr. Flemming, the civil service representative, to take the witness chair.

Senator BURTON. Senator George, did you want to ask any questions?

Senator GEORGE. Mr. McReynolds, I would like to ask why it is necessary to bring in the time-and-a-half for overtime principle here, in a temporary measure of this kind? Why is it not better to have just straight raises in salaries?

Mr. McREYNOLDS. In the first place, there is need for the additional time to be worked; in the second place, more than half, practically all industry, under present law, and more than half of the Federal employees are already paid on that basis, in conformity with the practice of industry.

Senator GEORGE. I know, but I think that Government is a different thing. Now, so far as increasing the pay is concerned, we all agree on that, and the necessity of it. and, so far as the necessity of enacting legislation to take care of all officers and employees of the Government, there is not any question about that; but, I do object, and I do not see myself, why, it is not very much simpler just to write a plain, straightforward bill, giving substantially the same benefits that are given by this bill, to the whole of Government employees on a straight-time increase.

Mr. McREYNOLDS. Well, of course, what I personally had in mind, in trying to work this kind of a principle into it was, that what I consider the desirability of treating all Government employees exactly alike, on the basis of their compensation.

Senator GEORGE. Yes, but who started any other contrary program with the Government employees—Congress?

Senator MEAD. Yes.

Senator GEORGE. When?

Senator MEAD. The Military Affairs and the Naval Affairs Committees did.

Mr. McREYNOLDS. Yes, sir, they authorized that.

Senator MEAD. And passed the legislation.

Mr. McREYNOLDS. You see, the wage board groups are authorized.

Senator GEORGE. Who are they?

Mr. McREYNOLDS. The wage board groups in the navy yards, the arsenals and shore establishments, and what-not, and by legislation in the last few years by Congress, there has—that has been extended to certain other technical employees, so that at the present time, approximately 60 percent of the Government employees are paid on that basis, without regard to this particular group affected by this legislation.

Senator MEAD. This covers—

Mr. McREYNOLDS. More than half of the Federal, the number of Federal employees are already under the other legislation, compensated on that basis, and this covers the balance.

Senator GEORGE. I am aware that there have been some things that—some things of that kind put through but I am personally not in favor of them, and I think that now is a good time to start the other way around. There is no quarrel about the necessity of increasing the pay, that should be done and quickly, and I am perfectly willing to give the same actual money benefit as would accrue under this kind of an arrangement, but I personally do not approve of that plan at all, Mr. Chairman. I am not going to agree to it. I may be open-minded on it, but for a long time, it seems to me that it has been all wrong to interject and bring that in on a purely monthly employment basis, and I just do not see the common sense in it.

Mr. McREYNOLDS. Well, just as to the purely practical aspects of it, in order to treat Government employees alike, I wondered if this would not be the easier way to do it than to try to do it the other way.

Senator GEORGE. It seems to me, my own view is that this is the wrong way, and it ought not to have been done this way in the first instance, and if you have to turn around some day and straighten it out, straighten out a situation that is growing worse, you might as well start now.

Senator BURTON. Mr. Chairman, we do have a bill pending before us, I think it is 360, and it points out that in the Post Office Department this does not work very well, and that bill is proposing \$300 a year flat for everybody in the Post Office Department.

Now, is it feasible to enlarge that bill into a greater field; instead of an overtime bill such as this being enlarged into a greater field, or both, or what?

Mr. McREYNOLDS. Well, of course, this is a matter for Congress to decide, which way they would do it. It is a matter that is in the hands of Congress and they are the ones that will fix the policy. The administration could not do it, has no authority to do it, nor has it the disposition to do it.

It has presented to Congress what seemed to us to be a logical method of putting everybody on the same basis.

Senator BURTON. Is it really a suggestion by the administration as to how to extend the existing overtime provision, or is it an ex-

pression by the administration that they believe the existing overtime rule is a good rule and therefore are in favor of it. Are they just passing it by in this way?

Mr. McREYNOLDS. Well, the proposal to pay for overtime work was made because it seemed to me, and some of the others, that was a fair basis for compensation, you paid people for the time they worked, normally that would be for a 40 hour week in the Government service, 39 or 40 hours.

Now, under present conditions, we need to work longer, we are working longer—

Senator BURTON. Suppose we increase it to 48 hours a week and increase it \$300 a year, that is, increase the pay \$300 a year?

I think that is what Senator George had in mind, and referred to.

Do you find that this is a satisfactorily operating administrative matter, and wanted to have it apply to the monthly employees?

Mr. McREYNOLDS. It works out very well under the legislation, there is no difficulty in it.

Senator BURTON. You immediately get into this item that I think you suggested that we discuss with Mr.—

Senator MEAD. Mr. Flemming.

Senator BURTON. Yes, Mr. Flemming. About whether it would be on a 260-day or 360-day basis and all that sort of thing, and I take it that you do not want to go into that feature, but that immediately comes up as one of the inherent complications of it.

Mr. McREYNOLDS. Or course, that works out on the basis of 40 hours a week, 5 days a week, which is generally prevailing in industry.

It is the basis on which the pay is computed, and if you add an additional day, the 260 days works out to the proportion of additional time and work, instead of the 360 days, as a theoretical basis.

That basis, worked out on the assumption that you are paying a man for every day in the year—although he does not work that, whereas, under the new proposal here, you would make it 260 days, undertaking to pay actually on the basis of the time worked, the time the people are being paid for working, under the old time basis, rather than on the assumption that they are working every day of the year.

Senator BURTON. Without getting too far into this, if a man was sick, and took time over his annual sick leave, you would deduct one two hundred and sixtieth, instead of one three hundred and sixtieth of his pay?

Mr. McREYNOLDS. If a man was absent without pay, under the proposal here, he would have the same amount deducted for a day's absence, that he would have been paid if he were working, and that would be one two-hundred-and-sixtieth.

Senator BURTON. It would put both on the same basis?

Mr. McREYNOLDS. Both on the same basis, that is right.

Senator MEAD. With reference to the problem that is troubling Senator George, we have this to consider, that already about 60 percent of the Government employees are on a time-and-a-half for overtime basis.

They have been working on a time-and-a-half basis for quite some time.

Therefore, we are trying to take care of the remaining 40 percent. We find, in doing so, that some of the offices in Washington that are

connected with the Federal services of the military branches, have technical employees, professional employees who are on a time-and-a-half basis, who, in turn, have \$1,440 and \$1,260 stenographers, who are, except for this temporary resolution, receiving no remuneration for overtime.

And the man who is paid for overtime dictates a sufficient amount of work to require overtime to the party that is not paid for overtime, and so it is up to us to take into consideration this ridiculous set-up that has developed as a result of congressional action and make it uniform, either one way or the other.

Now, it is going to be very upsetting if we decide to eliminate the time-and-a-half basis in the arsenals and shipyards and repair depots and in the field services of the Army forces, it seems to me, that the approach so far as simplicity is concerned, and equality, is to put the 40 percent on the same basis that the 60 percent is now on, because we had this indefensible situation when we passed this resolution, 170, of finding employees here in the Pentagon Building, for instance, receiving time and a half for overtime, by congressional law, and the poorer-paid employees, particularly the poorer-paid employees were working 48 hours a week and receiving 40 hours' pay and no overtime whatsoever.

Now, if it is for the duration, if it is temporary, we will have to consider that too.

When the emergency is over, they will all go back on a 40 hour basis. There will be no time and a half for overtime necessary.

The legislation will become extinct and we will have them all together again and thereafter from there on if an emergency should arise, or the cost of living should create the demand, we could start on some other method of solving the problem but here we are in the midst of a crisis, when 60 percent of them are already receiving pay, on a time and a half for overtime basis.

Senator BURTON. May I ask, Mr. Chairman, if that 60 percent is covered by this bill, so that it expires with this bill, the same as the rest do, or does it ride on, on its own account?

Senator MEAD. I would not say that is true; I do not think so, because if you consider wage boards, and the other cases, I think it is permanent legislation; I imagine in the matter of field services, that are here in Washington covered by legislation enacted by the Military and Naval Affairs Committees, that it would expire at the end of the emergency, but insofar as arsenals and repair depots are concerned, I think that is permanent established policy.

Mr. McREYNOLDS. The main wage board groups are covered by legislation—permanent legislation.

Senator MEAD. That is right.

Mr. McREYNOLDS. Governed by the practice in industry, whatever that is.

Senator GEORGE. Are those employees employed on a monthly basis?

Mr. McREYNOLDS. Hourly, daily and monthly.

Senator BURTON. If they were to carry it out, as it is now, would it not be necessary to go not merely to the employees covered by this bill, but you would have to reach beyond this bill to those 60 percent, and put them on a monthly basis?

Senator MEAD. On a bonus basis, except those that are in arsenals, navy yards, and so forth, where the practice has already been to adjust their salaries in keeping with the policy maintained in private enterprise, in general.

Senator BURTON. Then, that is permanent legislation, and it might be possible to leave that alone.

Senator MEAD. Yes.

Senator BURTON. And this is to cover the other group.

Senator MEAD. Yes.

Senator BURTON. How about these others?

Senator MEAD. The Field Services and those attached here in Washington, would all have to be covered by a bonus proposal and then you see after the war, you would have this to consider: Employees under this bill would be paid for the longer workweek, and when the war is over, the workweek would be shorter and they would only be paid for the shorter working week.

Under the bonus provision, the \$1,440 clerk might be drawing, during the war, \$1,700.

Senator BURTON. And in the First World War, it was covered by a bonus, was it not?

Senator MEAD. Yes; and then after the war, there was a reduction from \$1,700 to \$1,440.

Senator BURTON. In the other war, it was handled by bonuses, also, I believe.

Senator MEAD. It seems to me that during the course of the other war, we passed at least two bonus bills.

Senator BURTON. And they expired.

Senator MEAD. And there was an adjustment of salary, sometime after that.

Senator GEORGE. Does this cover the postal employees?

Senator MEAD. No, they are excepted on the first page of the bill.

Senator GEORGE. It does not cover them at all?

Senator MEAD. No.

Senator GEORGE. Isn't there a bill pending for them?

Senator MEAD. Yes.

Senator GEORGE. How does it treat them?

Senator MEAD. The bill, so far as the postal employees are concerned, gives to postal employees \$300 bonus, except where it cannot be applied, and in those cases, a 15-percent increase.

Now, the Postal Service presents a different problem than the Department of Agriculture, we will say.

For instance, the Post Office Department, its clerks and carriers work on a sort of 8 and 10-hour day; they have a turn-over during the middle of the day of 2 hours in which the mails are prepared for afternoon delivery and then the special messengers work on a fee basis, regardless of hours.

Rural carriers work according to the length of their routes.

Railway mail clerks work according to the district assigned to them and the speed of the trains, and so the Postal Service is a little different problem, and it was thought that they would introduce a bill granting a bonus, in one instance, and a percentage increase in the other, as a sort of working model, looking toward a solution of the problem.

They have a number of laws that have been passed by Congress that would be outlawed, if they were automatically covered in with the rest of the employees on a time and a half basis.

Senator GEORGE. Does this bill apply, may I ask, Mr. Chairman, to employees of the Agricultural Department in the field?

Senator MEAD. Oh yes.

Senator GEORGE. Per diem men.

Mr. McREYNOLDS. Yes.

Senator MEAD. Not the per diem men.

Mr. McREYNOLDS. Well, you say they are excluded here?

Senator MEAD. You are talking about the temporary men employed?

Senator GEORGE. No; I am talking about the men employed on a per diem basis, but they are regularly employed.

Senator MEAD. It would cover them.

I was thinking of the men employed temporarily, such as in the Forest Service in the summer.

Mr. McREYNOLDS. This is intended to cover the Government service as a whole.

The Postal Service has been excluded, of course. My personal opinion is that it would be desirable for the Postal Service to be brought in.

However, there would be one difficulty, Senator George. Under their proposal for the Postal Service, the Postal Service has a right to be paid overtime already on a straight-time basis and if you give the Postal Service a bonus, a \$300 bonus and continue to pay them for overtime, when it is required, then they are given preferential treatment. I think that is a question that is going to have to be ironed out pretty carefully, in this general legislation, and my personal opinion of the proper solution of that is to let them go in on an overtime basis, but authorize the payment of the 15 percent bonus in cases where overtime is not practicable.

But the swing of work is such that they cannot do any overtime work, if that happens where they cannot put in any additional time, then they should be given a bonus, but if they are going to have to work overtime, there is going to be a 48-hour week for most of the postal employees, outside of the group that is not paid on a time basis at all, I cannot see any reason why they should not be compensated.

Senator MEAD. For the most part, they are working overtime now, and some are working over 48 hours in a few instances.

Mr. McREYNOLDS. They started out by saying they could not.

Now, they find that they are doing it, and doing it very rapidly, and I think it would be much simpler, looking at the Government service as a whole, if they are all treated alike and particularly it would be most unfortunate from the standpoint of morale, for the Government service as a whole to permit one branch of the service, such as the Postal Service to be paid straight time for the extra 8 or 10 hours in a week, and still be given a bonus on top of that.

Senator BROOKS. Mr. Chairman, is it the postal employees you are talking about now?

Senator MEAD. Yes, sir; but they are not included in this bill.

Mr. McREYNOLDS. They have just been brought in, into the discussion.

Senator MEAD. They are not covered by the bill, but are covered by a bill, a corresponding bill before the postoffice committee.

However, we were just discussing the treatment according to Postal Service employees, as contrasted with the treatment of the other Government employees.

Senator BROOKS. How long has it been since the postal employees had their salaries increased?

Senator MEAD. 1926.

Senator BROOKS. Do you know any other people who work in America that have not had an increase since 1926?

Senator MEAD. Offhand, I could not think of any.

Senator BURTON. Just so I may get this clear on the record, do I understand from that, then, that you would advocate the postal employees should be included in the bill and should not be handled by the payment of a \$300 bonus, under that bill?

Mr. McREYNOLDS. That is my personal opinion.

Senator MEAD. I think, Mr. McReynolds, even though we put the postal employees on a time-and-a-half basis, in view of their different and difficult problem, as compared with the problem on the clerks in the average government agency, or department, that the postoffice committee should consider that bill, rather than this committee and that it should take into consideration the special delivery messengers and rural carriers and railway mail clerks, and the clerks and carries on the 8- and 10-hour law, and other matters that really are part of the problem, contained in this bill.

In other words, if we are going to make it uniform, let the postoffice committee handle that with their knowledge of the difference of the problems presented.

Senator BURTON. But the \$300-a-year bonus that is in S. 360 would put it on a different basis than the overtime here?

Mr. McREYNOLDS. Entirely.

Senator BURTON. That raises a question there, as to whether that bill should be expanded to cover all Government employees, and simplify matters thus, or whether this bill should be expanded to cover their branch of the service, or what.

Mr. McREYNOLDS. The part about the postal matter is clear, I think.

The Postal Service—most of its activity already has authorizations for payment of overtime on a straight-time basis.

If you give them a bonus and continue the payment of overtime, then you are discriminating in favor of that group as compared to the rest of the Government service employees.

Senator MEAD. That would have this difference however, if this bill became a law: these employees will receive time and a half for overtime. If the bill proposed by the Postal Committee becomes a law, they will receive only straight time for overtime.

Senator GEORGE. Plus the bonus?

Senator MEAD. Yes; plus the bonus. The bonus will offset the difference of the time-and-a-half as contained in this bill.

Senator BURTON. I think you ought to mention one other detail because it will come up this afternoon in the Senate, I think—it is before the Senate now—and that is a bill for the District of Columbia, involving the policemen, firemen and teachers and the majority reports, which I am opposed to, of the District of Columbia com-

mittee is proposing a \$350 bonus for the policemen and firemen and \$350 a year bonus for the teachers.

I am moving a substitute offer there that will keep them on the same basis that we have been going on in the past because the majority report, if it is adopted by the Senate, for this \$350 a year to be given to the policemen and firemen, and \$350 a year bonus to the teachers, that would be out of line with this legislation, even out of line with the postal legislation and would create still a third faction so far as Mr. McReynolds is concerned—it would be another variation.

Mr. McREYNOLDS. Of course, the teachers, policemen and firemen in the District of Columbia are not Federal employees. It is a particular group, or a particular problem that you have to consider, and you might find it difficult.

I have not given it much study. It might be difficult and would take some time to work it out.

Senator BURTON. But could not those employees be covered in their overtime requirements, under some sort of temporary relief, such as we have here?

Mr. McREYNOLDS. They are paid on the basis of their classification and are comparable to Federal employees as far as their working conditions, and time are concerned.

Senator BURTON. Getting back, then, your recommendation is that we adopt this overtime, of time-and-a-half on a 360-day basis?

Mr. McREYNOLDS. A 260-day basis.

Senator BURTON. A 260-day basis for the Federal employees included here, and you would even make it universal?

Mr. McREYNOLDS. I would make it universal, to include all of them.

Senator BURTON. Even on a monthly and annual basis of pay?

Mr. McREYNOLDS. I think that would simplify it. I would like to see one rule apply to all Federal employees. I would like to see it uniform.

I think there would be need for study and I think some provision would be made for study, asking participation by the designated members of both the Senate and House on the question of compensation for Federal employees because so many groups are handled on the basis of separate legislation, I think it is a desirable thing to do; but, I do not believe that it would be desirable, under the present emergency conditions to go into the question of a permanent adjustment of Federal compensation because of what might be logical, permanently, as permanent legislation, conceivably would not meet the needs at the present time, and if you tried to make it permanent legislation, why you would be in trouble later on.

The beauty of this seems to me to be that you are undertaking to pay for additional time.

You say you need additional time devoted to work, and we will pay for it, as it is worked, and when we do not need that additional time, of course, you go back and you automatically come back to the present current permanent basis of pay.

Senator BURTON. You are speaking for the administration as a whole, and so I think I should ask at least two other brief questions relating to the changes brought about by this bill from the existing temporary practice now going on.

One of them is that under the existing law, it does not grant this overtime to any extent where it would increase the pay of an individual above \$5,000 a year.

Mr. McREYNOLDS. That is true.

Senator BURTON. Now, this proposes to eliminate that restriction so that a person getting \$7,500 a year, would get the additional overtime payment as well as the other.

Mr. McREYNOLDS. On the first \$2,900.

Senator BURTON. On the first \$2,900?

Mr. McREYNOLDS. Yes.

Senator BURTON. You concur with that recommendation, also?

Mr. McREYNOLDS. Yes, sir, I would. The limitations that were placed in the other bill were placed in Congress, because it can fix whatever recommendations it may please to fix, and which it thinks proper now.

There has been a great deal of criticism and complaint, particularly in the technical field, because they say if a man is worth \$4,800, or \$5,000, and you would require him to work the additional time, you are assuming that the value of his services are not increased by the additional time required, if he gets over that amount.

There has been a good deal of feeling on the part of some people about that.

Senator BURTON. I think it was expressed to us before by someone, that the official making a comparatively large salary, would have enough margin to absorb the increased cost of living, whereas the smaller man did not, and we are trying to save the taxpayers what we can along that line.

The other question is, this puts it on a 15-percent basis, instead of a 10-percent basis.

Mr. McREYNOLDS. Yes, sir.

Senator BURTON. And you concur with that?

Mr. McREYNOLDS. Yes, sir.

That conforms to what is known as the Little Steel rule in industry. People who have not had an increase during this period of increased prices, have been limited to 15 percent, and it seemed appropriate to treat the Federal employees as well as the industrial employees to the benefit of that.

Senator MEAD. Is there anything further? Any further questions? (No response.)

Senator MEAD. If not, we will ask Commissioner Flemming to come over and take the witness chair.

STATEMENT OF ARTHUR S. FLEMMING, COMMISSIONER, CIVIL SERVICE COMMISSION

Mr. FLEMMING. Mr. Chairman, I think it might be well, in connection with the question which Senator Brook asked relative to when Postal employees last received a general increase in pay, to put into the record information as to when Federal employees generally were given pay adjustments.

The last general and substantial revision was effected July 1, 1928. Then, the maximum rates of a good many grades were raised one step, that would be \$60, or \$100, effective July 1, 1930.

The clerical and mechanical employees in the Bureau of Engraving and Printing received a 20-percent increase when they went on a 40-hour week, from a 48-hour week under the act of June 6, 1936. And then, as the committee of course knows, the employees in the subprofessional and custodial services, received substantial increases on August 1, 1942.

That is the general picture, as far as Federal employees are concerned.

Senator MEAD. That date I advanced as 1926, that was right; was it?

Mr. FLEMMING. For the Postal Service?

Senator MEAD. The last date the Postal Service received a monetary increase.

Mr. FLEMMING. That is right.

I think it might be well to point out just what the overtime picture is now and also what the picture was prior to the passage of Public, 821, which is the temporary legislation now in effect.

As Mr. McReynolds has pointed out, the Wage Board groups had, by law, been receiving time and a half for overtime. As the emergency developed, various proposals were made to the Congress particularly, as was stated, through the Naval Affairs and Military Affairs Committees, for placing certain groups of per annum employees on a time-and-a-half basis. That type of legislation Congress continued to enact until we did have a situation where the total number of Wage Board employees plus the per annum employees who were getting time-and-a-half compensation for overtime approximated 60 percent of the entire Federal service. This did bring about some fairly ridiculous situations, as the chairman has pointed out. A lawyer, for example, in the Navy Department, earning \$6,500 a year, would receive time and a half for overtime on \$6,500, and the girl who was working with him at \$1,440 would receive no overtime compensation.

And so the temporary legislation that was passed in December was designed to wipe out those inequities and to put the per annum employees on a uniform basis as far as overtime is concerned.

Senator MEAD. The result actually reduced the earned income of the attorney, and those in the higher brackets, and increased the wages, the total wages of the stenographers and those in that category, in the lower brackets?

Mr. FLEMMING. That is right.

The Civil Service Commission believes that the passage of the bill that is now before the committee, S. 635, or a similar bill, is absolutely essential in connection with the handling of our personnel problem. A high rate of turn-over in the Federal service is still one of the most serious problems confronting us at the present time.

Now, I would like to present to the committee, for its information, the figures for the entire Federal service for the first 6 months of the present fiscal year; that is, from the 1st of July, through December:

During that period of time, the Federal service made 1,383,857 placements. Six hundred and three thousand of those placements were for the purpose of filling new positions but 779,856 were for the purpose of filling old positions. In other words, it was necessary to make 779,856 placements in order to take care of turn-over.

I could put that another way: From July 1 through December, the Federal service grew from 2,206,970 to 2,810,871, or, in other words, there was a net increase of 603,901; but in order to bring about a net increase of 603,901, it was necessary for us to make 1,383,857 placements, which of course, indicates that our rate of turn-over is running very high.

Then, I would like to give the committee a similar picture for the same period for the departmental service. Most of the departmental service, of course, is located here in the District of Columbia—although some of the departments have been moved to other cities and we do have some field employees in the District of Columbia. Generally speaking, however, the departmental service is located here in the District of Columbia.

Now, for that same period of time, that is July 1 through December, we made 102,232 placements in the departmental service; but the number of placements for new positions was only 17,903; whereas we made 84,329 placements for replacements. During that period, the departmental service grew from 237,000 to 254,000, or a net increase of about 17,000.

The figures for December are also interesting. For the month of December there was a net loss in the departmental service of about 57. That is the first time there has been a net loss in the departmental service since the beginning of the emergency. But, in spite of the fact that we had a net loss during that period, we made 12,906 placements.

SENATOR SCRUCHAM. What number, in there, were ones leaving one place, leaving one Federal department, taking other Federal positions?

MR. FLEMMING. Senator, I am talking about the over-all figures. There are included in these figures the interagency transfers, but the intraagency transfers are not included in these figures.

If you deduct the interagency shifts from one agency to another from the over-all picture you would deduct about 30,000 from the figure of 779,000.

SENATOR BURTON. Give me that net loss for December again.

MR. FLEMMING. Fifty-seven.

SENATOR BURTON. 57,000?

MR. FLEMMING. No, sir; the number is 57 for the departmental service.

SENATOR MEAD. That, by the way, was the month in which the overtime pay bill went into effect, was it not?

MR. FLEMMING. Yes, sir; although I do not think it was in effect long enough to have much of an effect on the employees, as the law did not become operative until December 22.

SENATOR MEAD. But there was that anticipation, which is sometimes as helpful as the reality.

MR. FLEMMING. That is right, sir.

Now, the comparable figures for the field service are: We made 1,281,625 placements in the field service, of which 585,998 were for new positions, and 695,627, or, roughly, 700,000, were for old positions.

These figures also show that most of the increase in the Federal service is in the field service as contrasted with the departmental service.

SENATOR MEAD. I see.

Senator SCRUGHAM. Would it be true to say that most of that is the result of the needs of modern warfare in the creation of repair depots, and airplane centers and various other activities that were not incident to war in the past?

Mr. FLEMMING. A large percentage of that increase is unquestionably, Senator, reflected in the increases in the navy yards and arsenals, air depots, and other activities of the War and Navy Establishments.

Senator MEAD. Tank depots, and so forth.

Mr. FLEMMING. That is right. Now, as I have already indicated these figures do not reflect, to any considerable extent, the effects of the passage of 821. We do not have a real picture of the effect the passage of that bill will have, and will not until we get our figures for the month of January. The Commission does feel, however, that if Public, 821, the present overtime law, should lapse on April 30, and if the Congress did not enact a law with similar provisions, it would present us with a very serious situation. It would mean first of all, that a large part of the Federal service would have to return to a 44-hour week because, as you recall, this temporary law suspended the Saturday half-holiday law, which, in turn, made it possible for the President to put the service on a 48-hour week.

Also, it would mean there would be, with very few exceptions, no per annum employees receiving pay for overtime.

In other words, it seems to us that the Federal Government, functioning in its capacity as an employer, would be following a policy which would be contrary to the policy which the Federal Government is insisting that private employers follow at the present time.

First of all, today, as a result of the President's Executive order, private employers of course are, in most instances, now in a position where they must move up to a 48-hour week. Also private employers, as a result of the Fair Labor Standards Act, are in a position, where, in most instances, they must pay a base rate of one and one-half times the basic rate for work in excess of 40 hours a week.

Now, we feel that clearly the Federal Government as an employer, should not refuse to do what it insists that private employers must do. We feel that if it does, it is setting the wrong kind of an example.

Also, if this present legislation should lapse, and a similar law was not substituted for it, there would be a sharp increase in our turn-over rates. After all, we are competing in the same labor market as private industry. If our personnel finds that it can move out of the Federal Government and go into private industry and do identically the same kind of work and receive higher compensation, why, of course, they will go.

Senator SCRUGHAM. Have you anything to show the proportion of Federal turn-over which is due to operation of Selective Service Act?

Mr. FLEMMING. Senator, we have some figures which simply give us a bird's-eye view of the reasons for some separations in the departmental service. On that, for the last 4 or 5 months in the departmental service, primarily here in Washington, the departments have been conducting exit interviews to ascertain the reasons for people leaving the Federal service. The report for the months of October, November, and December deals with a total number of separations of 16,677.

During that period of time, out of the 16,677 that left, 4,176, or 25 percent, left to go into military service; 2,786, or 17 percent, were

transferred from one agency to another; 349, or 2 percent, were due to retirements and deaths; 888, or about 5 percent, were involuntary, and then 8,478 for other reasons, or about 51 percent.

The agencies reported to us that they have conducted about 5,900 exit interviews. As a result, they persuaded 978 people who said they were going to quit to stay.

In other words, about 16½ percent remained.

Reasons for leaving employment were give in the exit interviews and provide an interesting picture. The reasons are as follows: 0.8 percent said it was due to housing facilities; 1.4 percent said it was due to transportation difficulties; 8.6 percent gave other factors affecting their living environment as the reason, or, in other words, about 10.8 percent talked about housing, transportation and other living conditions and gave those as the reasons why they were leaving; 2.1 percent said they were leaving because they had insufficient work; 2.3 percent said that they were leaving because of working conditions within their departments; 2.9 percent said they were leaving because they were not being used at their highest skill; 3.2 percent said that they were leaving because they did not believe the work was useful in time of war; 11.1 percent said they were leaving because of the salary they were receiving; 8.3 percent said they were leaving because they did not see much of an opportunity to get a promotion; so, about 28 percent, out of the total, left because of working conditions, using that phrase in a rather broad sense.

Then, 11.1 percent said that they were leaving because of poor health; 3.6 percent left because of marriage; 1.6 percent left on maternity leave; 10.4 percent gave other family reasons; 6.8 percent left to return to school.

And so about 33.5 percent left for personal reasons.

All other reasons represent 27.7 percent of the total.

Now, I would like, after giving these general reasons for favoring S. 635, to discuss with the committee some of the provisions of the bill.

Section 1 specifies the employees to whom the law shall apply, and, as has already been pointed out, it provides that it shall not apply to policemen, firemen, and teachers in the District of Columbia, that it shall not apply to field service employees of the Post Office Department, and it also provides that it shall not apply to wage-board groups, which are covered by other laws.

Senator BURTON. Does that mean it does not apply to the Post Office employees at all?

Mr. FLEMMING. To the field service of the Post Office Department.

Senator BURTON. That says "officers and employees in the field service," what happens to the others?

Mr. FLEMMING. They would be subject to the bill.

Senator MEAD. That is right.

Mr. FLEMMING. Section 2 contains the authorization for overtime pay and fixes the method for computing it.

It differs as has been pointed out, from Public Law 821 in the following respects:

1. At the present time, the law provides that employees shall be paid overtime at the rate of one and one-half times their basic compensation but specifies that in computing overtime the base pay for 1 day

shall be considered to be one three-hundred-and-sixtieth of the per annum salary.

Mr. McReynolds has already commented on that.

Whereas S. 635, the present bill, specifies that the base pay for 1 day shall be considered to be one two-hundred-and-sixtieth of the per annum salary.

I think it is pertinent to point out to the members of the committee that the proposed formula of S. 635 was arrived at by assuming a basic workweek of 40 hours, consisting of five 8-hour days and multiplying those five 8-hour days by 52 to arrive at the 260.

If this change is accepted by the Congress, it will mean that the basis for computing overtime for per annum employees or per diem employees will be the same. Right now if a per diem employee and a per annum employee receive approximately the same base pay, the total compensation received by the per diem employee will be greater than the compensation received by the per annum employee.

This presents some real problems in the field of personnel administration. I think probably the best examples I can think of are the naval inspectors. Admiral Fisher, when he testifies, can underline this, but I would like to mention it at this time.

The Navy Department policy is to obtain its inspectors from the mechanic group to a very large degree. When they are in the mechanic group they are on a per diem basis and when they move over to the inspector group they go over on a per annum basis. And even forgetting this question of overtime for the moment, this shift often results in a cut in salary.

Senator BROOKS. Mr. Chairman, I am sorry, but I have to leave now. May I be excused?

Senator MEAD. Certainly, Senator.

Mr. FLEMMING. If you add to that the fact that the per annum employees are getting overtime, on a different formula, on one three-hundred-and-sixtieth instead of one two-hundred-and-sixtieth, you aggravate what is already a bad situation. We feel that there are quite a number of spots in the Federal Service of that kind.

Now, section 3 also—

Senator BURTON. Before you leave that section 2, what about the computation of the deduction—I mean for absenteeism and staying away beyond your sick leave, and so forth? Is that to be computed, then, on the same basis?

Mr. FLEMMING. If Congress accepts this as the basic policy, it will provide a basis for handling all computations on the same basis.

Senator BURTON. As a matter of fact, you are now handling the question of deducting at the present time—on what basis do you deduct, now?

Mr. FLEMMING. At the present time, it is on one three-hundred-and-sixtieth.

Mr. BARUCH. If a person is away, absent without pay, due to the effect of Senate Joint Resolution 170, he loses for that day his base pay plus overtime for that day. His base pay plus overtime for that is divided into six equal parts, and if he is away one of those 6 days, one of the six equal parts of the week, he loses one-sixth of the total combined pay for the week.

Senator BURTON. Entirely apart from the temporary provisions of 170 or Public 821, hasn't that been the practice in the past? Isn't that

the way it would be computed; if you were to stay off beyond your leave, then your reduction would be on the basis of one three-hundred-sixtieth?

Mr. BARUCH. Yes, sir; that was figured on the basis of one three-hundred-sixtieth.

Mr. FLEMMING. Doesn't that go back to a ruling of the Comptroller General?

Mr. BARUCH. Yes; that goes back to a ruling by the Comptroller General, where it was stated, for pay-roll purposes, and so forth, "the year shall be considered to be 12 months of 30 days each," and that would avoid the computation of, let's say, each pay-roll period of twelve thirty-firsts of our 31 days and sixteen thirty-firsts, and the second period of 31-day months; so, for the purposes of the act, to make it easier, it has been considered 12 months of 30 days. That is the historical background for the 360 formula.

Senator BURTON. That has been in effect for many, many years.

Mr. BARUCH. Yes, sir.

Senator BURTON. And that has also been the practice of private industry for many years, has it not?

Mr. BARUCH. I would not know, sir.

Senator BURTON. Where the pay roll was figured at 360 days a year, it is being figured at 260 days a year now; is that right?

Mr. FLEMMING. I think that industry found itself up against the same problem that we are dealing with here, because the Fair Labor Standards include per annum employees within its purview, so that they undoubtedly have had to make similar adjustments as those the Federal Government is faced with.

Senator BURTON. But the 260-day provision will come into the laws of the United States for Federal employees for the first time; isn't that true?

Mr. FLEMMING. Of course, the wage board groups are handled on a 1/260th basis, but for per annum employees, I think that is correct.

Senator BURTON. The wage group; that is, the group that is paid by the day or by the hour?

Mr. FLEMMING. That is right, sir.

Senator BURTON. Is there anything in the statute that requires the others automatically following?

Mr. FLEMMING. Yes; section 8.

Senator BURTON. As a matter of fact, as the law now stands, if we were to pass this and said nothing it would be perfectly possible that the overtime might be on a 1/260th basis and the deductions for absenteeism might be on a 1/360th basis unless the relations were changed by choice of the Administration?

Mr. FLEMMING. Except the provision of section 8 here.

This provision authorizes the Civil Service Commission "to promulgate such rules and regulations which may be necessary for the purpose of coordinating and supervising the administration of the provisions of this act, and for the purpose of adjusting the present methods of converting annual rates of pay into daily and hourly rates for all purposes so as to conform with the methods prescribed by this act"——

Senator BURTON (interposing). And the intent of the Civil Service Commission is to have the pay on the basis of 260 days and figure that

for overtime and then the 260 days will be adopted by regulation as the basis of deductions for absenteeism?

Mr. FLEMMING. That is correct, and all computations would be on the same basis.

Senator MEAD. Mr. Baruch.

Mr. BARUCH. Yes, sir.

Senator MEAD. Before we pass over deductions for absenteeism. You made a statement if an employee is off a day, which we will say is of 8 hours, he is deducted for his regular hours and his overtime hours that he would have worked on that day?

Mr. BARUCH. Yes, sir.

Senator MEAD. So that he is really penalized for absenteeism by being deducted for more than a day's pay?

Mr. BARUCH. That comes about through the temporary joint resolution.

Senator MEAD. I want to make that very clear in the record, that he has not been deducted on a 360-day year and paid on a 260-day year but he is being deducted every day he is off for an overtime day.

Mr. BARUCH. That is right, sir.

Senator BURTON. Right at that point, he is missing his regular 8 hours and also missing whatever fraction of overtime might be involved there.

Senator MEAD. Where the average employee of private industry takes the day off, he apparently takes 8 hours off and is not deducted for overtime, but the average private employee, when he works overtime, he is paid full time and a half for overtime work; but here we are deducting from the Federal employee's pay on an overtime basis. So that—

Senator BURTON. You are taking a part of his pay, and mixing in his daily overtime, averaged.

Mr. McREYNOLDS. Now, just to simplify it: If a man was out without pay, we deduct the same amount that he would be paid if he were there.

Senator MEAD. Yes; that is what I wanted to point out.

Senator BURTON. That does not seem to be a harsh penalty.

Mr. McREYNOLDS. It is a perfectly normal and proper thing.

Senator MEAD. The point I wanted to make—

Mr. McREYNOLDS. We don't deduct just the one-three-hundred-and-sixtieth, we deduct what he would be paid if he were working.

Senator MEAD. I was afraid that there would be going into the record the fact that if he laid off, he was then governed on a 360-day basis and if he did not he was governed on a 260-day basis, or year; and that is not so.

Mr. BARUCH. I would not have understood the bill.

Senator BURTON. One other question there. You spoke of the practice in private industry at the present time—

Mr. FLEMMING. The Fair Labor Standards Act.

Senator BURTON. Yes. Has this 260-day year basis for paying overtime to monthly and annual employees been adopted there as a fixed practice?

Mr. FLEMMING. I do not know. I will be glad to check on that and make it a part of the record.

Senator BURTON. I would appreciate that, because part of the argument here is that we are trying to do the same thing in Government that the private industry is doing.

Mr. FLEMMING. My point was that the Fair Labor Standards Act does place certain per annum employees in the overtime class, but just what the method of computation is I do not know. I will be glad, however, to find out.

(A statement on this matter is as follows:)

In section 10 of Interpretative Bulletin No. 4, entitled "Maximum Hours and Overtime Compensation," issued by the Wage and Hour Division of the Department of Labor, the method stated for computing basic hourly rates from basic monthly rates is to multiply the monthly rate by 12 (giving the annual rate); divide the annual rate by 52 (giving the weekly rate); and divide the weekly rate by the regular number of hours worked. The rate for 1 day of 8 hours would, of course, be 8 times the hourly rate.

Thus, in industry, on the basis of a regular 40-hour week consisting of 5 days of 8 hours each starting with an annual rate of \$A, the daily rate would be computed according to the following formula: $\text{Daily rate} = \frac{A \times 8}{52 \times 40} = \frac{A}{260}$ which is the formula used in H. R. 1860 and S. 635.

Senator BURTON. One other question: Could you estimate—I remember that it came up for discussion the other time—roughly the expense that is involved in changing from a 360-day to a 260-day year or basis? Do you have that in any tangible form?

Mr. FLEMMING. Mr. Young, of the Budget Bureau, when he testifies, of course will be in a position to give you more detailed figures. We estimate—that is the Bureau of the Budget estimates—that the total additional cost of this bill, over and above the existing overtime pay law would be \$273,000,000.

Senator BURTON. \$273,000,000 more than the temporary measure.

Mr. FLEMMING. That is right.

Senator BURTON. And the temporary measure increased, over the existing cost—you had a figure for that. Was it around \$400,000,000?

Mr. BARUCH. Approximately \$400,000,000.

Mr. FLEMMING. \$400,000,000 to \$500,000,000—frankly, I do not recall.

Senator BURTON. This moves up something like 50 percent again, because it is really raising it from 10 to 15 percent, which would make it in that general figure.

Mr. FLEMMING. Incidentally, that also includes the cost of eliminating the \$5,000 ceiling. You see, that was included.

There are three things involved in the cost figures, the changing of the method of computation, the elimination of the \$5,000 a year ceiling, and the increase from 10 to 15 percent for those not able to work overtime.

Senator BURTON. Roughly, the old temporary measure involved a 10-percent bonus or this overtime on a 360-day basis.

Mr. FLEMMING. Which amounted to about a 20-percent increase.

Senator BURTON. Now, when we adopt this basis of 260 days for the overtime you have to move the 10 percent up to 15 percent to keep up with that increase, do you not—put the bonus up an extra 5 percent in order to keep up with the overtime level?

Mr. FLEMMING. It seems reasonable, and it also brings it in line with the Little Steel formula of 15 percent.

If this formula is adopted it means an approximate increase of 30 percent over what the employee received prior to the passage of the present law. Also it actually means an increase of about 6.9 percent above his present gross earnings.

The Bureau of the Budget has figures on that; and I will leave it to them to indicate how the figures were worked out.

Senator MEAD. In your figures, you were giving annual estimates, of course. That was a \$400,000,000 figure and a \$273,000,000 figure. Both were annual?

Mr. FLEMMING. On an annual basis, that is right, sir.

Section 2 differs from Public 821 also in that 821 provides that—

each such employee shall be paid only such overtime compensation or portion thereof as will not cause his aggregate compensation to exceed a rate of \$5,000 per annum.

As has been pointed out, this provision is eliminated from section 2 of the proposed bill.

If this change is accepted, I think it should be remembered that the employees affected by it will receive overtime on only \$2,900 of their salary; that is, they won't receive overtime on \$5,000 or \$5,600 or \$6,500, but will receive overtime only on \$2,900 of their salary.

The Commission favors the elimination of that ceiling, because, generally speaking, in private industry, when you are dealing in these categories, employees do receive higher salaries than do Government employees for comparable duties and responsibilities. Also we all know that the Government employees in these brackets are faced with higher living costs, and, consequently we feel that this is simply a reasonable increase. We do not and have not favored the provisions that were in certain laws up until December, under which persons getting \$6,500, for example, got overtime on their entire salary. That is, we just do not feel that that is sound. We do favor, however, this provision which would mean that those in the upper brackets would get overtime on \$2,900 of their salary excepting, of course, the heads of departments.

Senator MEAD. Would that eliminate confusion and what would seem to be or what might seem to be unfairness in the pay brackets approaching \$5,000?

Mr. FLEMMING. That is right.

Senator MEAD. In some instances employees were given the full benefit of the increase, which gave them a higher rate of pay than their superiors who, because they received about \$5,000, were given no increase whatsoever; and it brought some of them up to their salary.

Mr. FLEMMING. That is correct. It brings about a crowding of salaries in the \$5,000 area.

Senator MEAD. And now it would throw that area out of that condition, that pay area?

Mr. FLEMMING. That is right.

Senator BURTON. How much do you estimate that it will cost a year to eliminate that provision?

Mr. FLEMMING. That is included in the total figure. My understanding is that it is approximately \$15,000,000 of the total.

Now, section 3 provides for 15 percent additional compensation when the nature of the work is such that the employees cannot be paid overtime and as already noted, Public 821 provides for 10 percent.

We favor this change because it is consistent with the other changes that we have just discussed, and it is in line with the Little Steel formula.

Now, while we are on section 3—

Senator BURTON. May I ask: Is it precisely in line with the concepts of the Little Steel agreement? Does it exactly match it?

Mr. FLEMMING. Well, the Little Steel formula, of course, provides that the increase in the basic rate shall not exceed 15 percent—

Mr. BARUCH (interposing). The *Little Steel case* was decided by the National War Labor Board in September 1942, and laid down a rule setting a terminal point of percentage increase, based on the rise in the cost of living since January 1, 1941. That terminal point was set at the 15-percent level above the straight rate, not including overtime, paid on January 1, 1941, on an average basis.

Senator MEAD. So this does not approach the Little Steel formula in that these people have not received a raise in pay in many years?

Mr. BARUCH. A good many of them have not been included in section 3.

Mr. FLEMMING. For the per annum employees included in section 2, this is not exactly comparable to the Little Steel formula, of course, in that it does not involve a raise in base pay. The W. L. B. in the Little Steel formula is specific in pointing out that overtime pay is not included in the working out of the formula.

Senator MEAD. So that in all instances where the formula employed, they receive a 15-percent increase of their basic salary, and if they work overtime they receive time and a half?

Mr. FLEMMING. That is right.

Senator MEAD. Whereas, in section 2 there is no change in the rate, in the basic pay, and it merely provides time and a half for a prolonged workweek.

Mr. FLEMMING. That is correct.

Senator BURTON. In this bill, the 15 percent has no relation to any fixed date of prior pay?

Mr. FLEMMING. No, sir.

Senator BURTON. But still it is a fact that there has been no increase since January 1, 1941?

Mr. BARUCH. The group covered by section 3, Senator, probably all have received no increases since long before January 1, 1941, just considering the basic rates—this section is concerned with these receiving intermittent, irregular or less than full-time pay, and officers and employees connected with the legislative and judicial branches, and I might say that the group covered by section 3 is a rather unusual group compared to the rest of the service whose working conditions are such that overtime work—or a working schedule just is not practical.

Mr. FLEMMING. While still on section 3, we would like to propose two amendments which we feel are essential. The first is on line 25, page 2, after the word "branches" insert "except the Library of Congress, the Office of the Architect of the Capitol, and the Botanic Garden."

Senator SCRUGHAM. And where are they exempt?

Mr. FLEMMING. Page 2, line 25, after the word "branches"; and the reason for that, Senator, is this: At the present time all legislative employees are included in the group that receive 10 percent, and

under this bill will receive 15 percent. Employees of these three agencies within the legislative branch have working conditions and hours of work, and so forth, that are exactly parallel with the agencies in the executive branch.

Let me take the Library of Congress. At the present time, under the present Executive order relating to the Federal Government, and then also under the recent Executive order setting up the 48-hour week the Librarian of Congress would naturally feel under some compulsion to extend the working week to 48 hours. That would mean that the employees of the Library of Congress at the present time would get an increase of 10 percent for working 48 hours, whereas the employees in all of the executive departments would receive an increase of approximately 20 percent. Under the provisions of this bill it would mean that the employees of the Library of Congress would get 15 percent whereas the executive department employees would get an increase of approximately 30 percent over their basic rate. In view of the fact that there is a constant interchange, and naturally would be, of employees between the Library of Congress and the executive departments, the Librarian of Congress feels very definitely that the present provision places him at a definite disadvantage in administering the affairs of the Library. So, it is our suggestion that they be exempted from section 3 which automatically brings them under section 2, and would entitle the employees to compensation for overtime instead of getting just a flat 10 or 15 percent increase as the case might be.

And I might also mention that the employees of the Library of Congress are subject to the Classification Act, by action of the Congress. In other words, their base pay is worked out in exactly the same way that the base pay of any of the employees in the executive branch is worked out.

Senator MEAD. Is the Librarian in favor of this amendment?

Mr. FLEMING. Yes, sir. I think he may even want to appear, Mr. Chairman, before the committee. I have, however, talked to him about it and he does favor it.

Now, the other amendment that we suggest is on page 3, line 1, after the word "applies" insert:

and officers and employees whose working conditions, upon recommendation of the head of the department or agency approved by the Civil Service Commission, are found to be such as to render an overtime work schedule impracticable.

Now, this is to take care of a very small group of employees. For example, I understand the customs storekeepers that are tied in with certain aspects of the tobacco industry work ordinarily only 40 hours because the industry works only 40 hours. If these employees are put on a 48-hour week, it is apt to be just made work. We feel, therefore, that there ought to be enough flexibility in the law so that where there is a situation of this kind, affecting just a few employees here and there, the department and the commission could agree to shift them over to a 15-percent basis instead of the overtime basis. That is the reason for the proposed amendment.

Senator MEAD. Another illustration might be gagers and inspectors in bonded warehouses, where the distilling industry has been stopped for the duration and where a longer workweek would be impracticable.

Mr. FLEMMING. That is right. You find isolated situations here and there where it is not practicable.

Section 4, of course, repeals two laws whose provisions are inconsistent with this bill.

Section 5 repeals the Saturday half-holiday law.

Section 6 provides that S. 635, this bill, shall not operate to prevent payment for overtime to certain groups of employees now receiving overtime compensation at a higher rate of pay than is provided for in S. 635.

The periods of employment for these groups of employees are, as a general thing, intermittent and usually are performed by employees who have already worked a day shift.

In the case of inspectors and employees of the Customs Service, Bureau of Immigration and Naturalization, and marine and navigation inspectors, the work is performed for the convenience of the steamship companies, which reimburse the Government for the overtime payments.

Section 7 continues the authority granted to the Bureau of the Budget to order departments to submit reports to it relative to the need for existing personnel, continues the authority of the Bureau of the Budget to order the department to reduce personnel, and continues the authority of the Civil Service Commission to transfer such employees wherever the Commission finds that their services are needed in connection with the carrying on of the work of the Government.

We very definitely favor the continuation of that section.

Senator BURTON. Can you give us any statement as to your experience under that section?

Mr. FLEMMING. I cannot as yet, sir. The Bureau of the Budget called for the reports provided for in section 2 of the old law. They have not yet issued any orders following their analysis of the material submitted, but I understand that in all probability orders will be issued very shortly; and as soon as they are, then we, in turn, can start to transfer employees under the transfer features of the section.

Section 8 is authority to the Civil Service Commission to promulgate rules and regulations. In other words, the objective there is simply to make it possible to take a look at this total picture and promulgate the kind of rules and regulations that will bring about uniformity in applying the law. Our only suggestion is that in line 4, the words "to take such action and" should be stricken. There is some question as to whether or not, if that language were left in, there might be an apparent conflict with the authority of the General Accounting Office.

There is also, Mr. Chairman, one other amendment that we would like to suggest. That would be a new section, which I will read,

Whenever the Civil Service Commission shall find that within the same Government organization and at the same location gross inequities exist, to such extent as to interfere with the prosecution of the war, between basic per annum rates of pay fixed for any class of positions under the Classification Act of 1923, as amended, and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is hereby empowered, in order to correct or reduce such inequities, to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by the Classification Act of 1923, as amended, for the grade to which such class of positions is allocated under such act.

Now, as you will notice that is not a broad delegation to the Commission. It is worded very carefully for the purpose of taking care simply of those situations where, on the face of it, there are gross inequities existing between the pay given per annum employees and the pay given per diem employees.

Again the Navy inspectors are a good example of what we have in mind. This would simply give us authority to authorize recruiting at higher than the minimum rate provided for in a particular grade. It would not authorize us to shift from one grade to another, but would simply authorize us to make an adjustment which I think the Navy and War Departments will testify would have a very helpful effect on the handling of quite a number of their personnel problems.

That concludes, Mr. Chairman, the presentation of my statement in regard to this bill.

Senator BURTON. This act is to run to June 30, 1945, which is a year longer than usual, which is just for the duration of the war and 6 months. But I can understand the reason for the 1 more year than we have been putting into each bill.

Mr. FLEMMING. It does provide "or such earlier date as the Congress * * * may prescribe."

Senator LANGER. You have no objection to the 15 percent, have you?

Mr. FLEMMING. No, sir; we are in favor of that.

Senator LANGER. Do you think that is enough?

Mr. FLEMMING. Well, we feel that is consistent, Senator, with the change that has been made in section 2, the shift from the one three-hundred-sixtieth to the one two-hundred-sixtieth formula, and that it is also consistent with the general picture throughout industry, keeping in mind the provisions of the Little Steel formula.

Senator LANGER. What is the average pay?

Mr. FLEMMING. For that group in there?

Mr. BARUCH. It would probably run, Senator Langer, between—around \$1,800 or \$1,900 average pay for all the per annum employees.

Mr. FLEMMING. Coming under that section.

Senator LANGER. \$1,800 or \$1,900?

Mr. FLEMMING. Wasn't your question directed to section 3? Directed to that part dealing with the 15 percent?

Mr. BARUCH. The bigger groups would be the legislative and judicial branches.

Senator LANGER. Would you be about right at that \$1,800-or-\$1,900 figure?

Mr. FLEMMING. Do you think it would run about that, Mr. Baruch?

Mr. BARUCH. I would think it would run about there.

Senator LANGER. Let's get this thing straight. \$1,800 is your average wage.

Now, have you had any increase since 1925?

Mr. FLEMMING. Senator, before you came in, I gave the committee a picture of the situation as far as increases in pay for all Federal employees is concerned. Senator Mead has pointed out to the committee that the last increase the postal employees had was in 1926. The last general and substantial revision for all Federal employees was effective July 1, 1928. The maximum rates of a good many grades were raised one step, that is, \$60 or \$100, effective July 1, 1930; then about 3,500 employees in the Bureau of Engraving and Printing had

an increase on June 26, 1936; and then the lower paid employees in the subprofessional and custodial branches received a substantial increase August 1, 1942, as you will recall.

Senator LANGER. Isn't it true that the 15 percent would be too low, that that increase is not enough?

Senator MEAD. I think if you applied the strict formula of the Little Steel case, we took into consideration the wages paid on—what date was it?

Mr. BARUCH. January 1, 1941.

Senator MEAD. January 1, 1941. And then you would be right, because we go back to 1926 in the postal case, and 1928 in the case of the other employees, so that we are really not coming up to the standard of Little Steel in that we go back to 1926 and to 1928, whereas Little Steel only goes back as far as 1941.

Senator BURTON. And we did go back to January 1, 1941, as there has been no change from 1926 to 1941. So, if you applied the Little Steel it would be the same.

Senator MEAD. In the other cases previously mentioned, there was no increase between 1926 and 1941.

Senator LANGER. Now, let me see if I get it straight.

Back in 1926, 1928 and 1930, somewhere in there, there were some increases?

Mr. FLEMMING. That is right.

Senator LANGER. And there really hasn't been any increase for hundreds of thousands of employees; is that right?

Mr. FLEMMING. That is correct; I mean outside of those in the subprofessional and custodial service that this committee dealt with a little while ago. You can say, in general, that there has been no substantial increases, for most Federal employees certainly, since 1930.

Senator LANGER. If that is true, how can you justify an increase of only 15 percent?

Mr. FLEMMING. We will have to go back, Senator, and take a look at section 2. Section 2 provides that the great bulk of the employees will receive overtime at a rate of one two-hundred-sixtieth over and above their regular base pay, which means for a 48-hour week an increase for them of approximately 30 percent over their base pay.

Now, the last time the committee looked at this particular issue, there was a 20 percent increase involved, and at that time you decided that those people who could not be brought in under the overtime provision would get 10 percent.

Senator LANGER. I remember.

Mr. FLEMMING. So that if we are now stepping the other group up to 30 it would be consistent to step this group up to 15.

Senator LANGER. Why not 30?

Senator BURTON. This other, or this last group, they do not have to work any overtime at all.

Mr. FLEMMING. The fact of the matter is, the reason they were put in this group is because it is impossible for them to work overtime. In other words, section 2 people are getting the 30 percent increase for working overtime. Section 3 people are getting 15 percent increase without doing any additional work at all.

Senator LANGER. Well, those people in section 3 won't get enough to live on; isn't that right? Since these raises in 1926 and 1928, 1930 and 1936, you have been trying to raise them?

Mr. FLEMMING. That is right.

Senator LANGER. That \$1,800, 5 percent of that is \$90, Victory tax.

Mr. FLEMMING. That is right.

Senator LANGER. Clipped right out of their pay.

Mr. FLEMMING. That is right.

Senator MEAD. And 5 percent for retirement.

Senator LANGER. Yes, besides that you get \$90 taken out for the retirement fund.

Mr. FLEMMING. Right. Of course, that is a trust fund.

Senator MEAD. Yes.

Senator LANGER. Now, those employees are all pledged to buy War Bonds, are they not?

Mr. FLEMMING. A large percentage of them.

Senator LANGER. How many, would you say?

Mr. FLEMMING. 10 percent was the objective. Now, just how large a percentage of them have actually subscribed to that, I do not know, but it is a large percentage.

Senator LANGER. That would be \$180.

Mr. FLEMMING. That is right.

Senator LANGER. And besides that you have the income tax.

Mr. FLEMMING. That is correct.

Senator LANGER. I don't know what it is on \$1,800; I know that on \$1,975 it is \$116; figure it at \$100, that makes \$460 that this employee has to pay out, roughly?

Mr. FLEMMING. Yes, sir.

Senator LANGER. How do you justify that without considering the increase in living which is—how much, since 1930?

Mr. FLEMMING. Since 1930—I cannot answer that.

Let's see. Since the beginning of the emergency—what was it?

Mr. BARUCH. The figure was about 17 or 18 percent.

Senator LANGER. Since 1926, it would be around 40 percent, would not you say?

Mr. FLEMMING. It might be. Personally, I do not know.

Senator LANGER. It is certainly higher than in 1925, 1926, 1928, 1930, and so forth.

Mr. FLEMMING. Yes, sir.

Senator LANGER. How do you justify merely a 15 percent increase, then?

Mr. FLEMMING. Senator, it seems to me that if the committee is going into the matter solely from the standpoint of making adjustments on the cost-of-living basis for this particular group and decides that in order to make a proper adjustment on the cost-of-living basis it should be slightly higher than this, why, that is certainly within the purview and the function of Congress to do it; but, as I understand, this proposal to put in the 15 percent was simply to be consistent with what Congress did in Public 821. Also, it does not violate the over-all wage policies of the Federal Government.

Senator LANGER. If you take \$1,800, increase it 15 percent, that would be an increase of \$270, and that would be a salary of \$2,070. Take away \$460 and that leaves \$1,610.

Do you know any family who could live on that in the city of Washington, with three or four or five children?

Mr. FLEMMING. No, sir.

Senator MEAD. Senator, the Secretary of War addressed a letter to the committee in connection with the consideration of the last bill, and he enumerated the necessary expenditures of the average stenographer receiving \$1,620, without allowing anything for luxuries or an unusual run on rayon, and he left her a balance of \$5 after her total expenses, after expenses were met; so that if we are giving her \$1,610, according to the Secretary of War there would be a deficit there of \$15.

Senator LANGER. Now, you and I have seen advertisements—and I know there have been advertisements in papers in North Dakota—where a girl without any experience can come down here and get a job at \$1,700. Now, these employees that have worked for a long time, they get \$1,610.

Mr. FLEMMING. That would be base pay, plus overtime.

Senator LANGER. Yes; that is right.

Mr. FLEMMING. That is right, sir.

Senator LANGER. Now, here is a girl without any family, without any experience, getting \$1,700, and you say that is base pay?

Mr. FLEMMING. The base pay would be \$1,440. Overtime pay would bring it up to approximately \$1,700.

Senator LANGER. How could you possibly defend the head of a family getting \$1,610. Isn't the 15 percent too low? Should it not be made 30 or 35 percent?

Mr. FLEMMING. Senator, we will be glad to try to make an analysis for the committee to determine what the average salaries in this particular group may be, and we will be glad to make any recommendations on the point that the committee would like to have us make.

Senator MEAD. Senator, you are presenting the case for the lower paid employees, now.

Senator LANGER. Yes.

Senator MEAD. It was said that during the depression the \$1,440 stenographers sent money home to their people to aid them at that time in meeting the difficulties of the depression, but the \$1,620 girl now is writing home for money in order to meet the high cost of living in Washington.

Senator LANGER. Would you make that analysis and supply us with it?

Mr. FLEMMING. I will be glad to.

Mr. BARUCH. It would be difficult to get such a figure from the legislative and judicial branches, so to speak, without some kind of a questionnaire.

Mr. FLEMMING. Are you willing to let us get it for the employees other than the legislative branch?

Senator LANGER. Get it for everybody. There is no reason why the committee should not know what everybody is getting.

Mr. FLEMMING. We will have to get out a questionnaire.

Senator GEORGE. I would not do it; I would advise you not to get out a questionnaire.

Senator LANGER. Doesn't the record show that, some place in the Government?

Mr. FLEMMING. I don't think we have it in the records any place, for the legislative employees.

Senator LANGER. Couldn't Lindsay Warren give it to you?

Senator MEAD. I think we could get it from Oco Thompson. We could ask the disbursing clerk to come before the committee.

Mr. FLEMMING. We will be happy to do any work we can for you.

Senator LANGER. Would your department have any objection to it being increased?

Mr. FLEMMING. Personally, and I must put it on a personal basis at the present time, because any proposal of that kind, of course, has got to be cleared through channels first—

Senator LANGER. Who decides that?

Mr. FLEMMING. Personally, I have no objection.

Senator LANGER. What superior have you?

Mr. FLEMMING. Before we report on legislation, Senator, we must clear any recommendation through the Bureau of the Budget, to determine whether or not it is in conformity—

Senator LANGER. Through what? The Bureau of the Budget?

Mr. FLEMMING. Yes, sir.

Senator LANGER. Who represents them?

Mr. FLEMMING. Mr. Young.

Senator LANGER. Is he here today?

Mr. EDGAR B. YOUNG. Yes, sir; I am here.

Senator LANGER. Mr. Young, would you have any objection to that—that is, the Bureau of the Budget?

Mr. YOUNG. Senator, I cannot speak on that question without talking to the Director.

Senator LANGER. Let's get the Director up here. What is his name?

Mr. YOUNG. Harold D. Smith.

Senator MEAD. We can get the Bureau of the Budget's position and attitude on it; and we can have him up.

Senator LANGER. What do you think about it yourself?

Mr. YOUNG. I think it is very questionable to raise any rate of pay in excess of 15 percent, as being a direct attack on the salary and wage stabilization formula.

Senator LANGER. How are you going to have a family live on \$1,610 in Washington?

Mr. YOUNG. I haven't any doubt but what we will all have to cut our standards of living; I do not think we can expect to maintain our standards of living.

Senator LANGER. You have to pay house rent.

Mr. YOUNG. I can't speak finally for the Director on that. I think it would be very questionable whether we could support any increase in pay which might violate the wage stabilization standards or formula.

Senator LANGER. I don't know anything about that violation. But here is a stenographer, without a family, getting \$1,700, and here you are asking a man, the head of a family, with a wife and children, to live on \$1,610. Isn't that right; that is true, is it not?

Mr. YOUNG. And there are many heads of families on other pay rolls than the Government who are not getting what the Government is paying for the job that is done.

Senator LANGER. I didn't ask you that. I just asked you to tell this committee how a man with a wife and children can live on \$1,610 in Washington.

Mr. YOUNG. I agree with you, fully, that it is a tough job; and maybe it can't be done—I don't know.

Senator LANGER. How would it hurt any other department—how would a bill with a rate of 30 percent increase hurt any of the other departments?

Mr. YOUNG. I think it would be a pretty severe blow at the maintenance of the wage stabilization formula; it would not have serious repercussions within the Government, but it is on the outside where the effect would be felt.

Senator LANGER. Outside—where?

Mr. YOUNG. If the pay rates for the Government employees were raised in excess of 15 percent, I am sure that very promptly the individual employees in private industry would want a raise of pay for their particular positions.

Senator LANGER. Private industry?

Mr. YOUNG. Yes, sir; private industry.

Senator LANGER. They have been raised more than 15 percent already. Here we have had men who formerly worked out on farms for \$50 a month now going to work in industries back East and getting \$400 and \$500 a month.

Mr. YOUNG. That is a different kind of a job, and they are getting a pay rate for a new job under the War Board.

Now, that 15-percent formula has been stabilized as to the rate of pay for a single job or single type of work.

Senator LANGER. Mr. Young, can you tell this committee and name anybody, anywhere, aside from farms, where they are only getting \$1,610 a year?

Mr. YOUNG. At the moment, I cannot. I will be glad to see what I can furnish.

Senator LANGER. When can you get that?

Mr. YOUNG. I can get the information tomorrow.

Senator LANGER. Thank you.

Senator MEAD. Well, are there any further questions to be directed at the Civil Service Commission?

Senator GEORGE. Mr. Flemming, I suppose you would not think of having all raises, as a temporary war measure, on a flat percentage basis and forget this time-and-a-half thing? You cannot apply it; you have to have all kinds of exceptions.

Mr. FLEMMING. Personally, I feel that so much water had gone over the dam when the committee considered this matter in December, and when it recommended the passage of what is now Public, 821, that it would have been then, and would be now, very difficult to back up. Also, the relationship between the Federal service and the general industrial picture must be considered. I think it is pretty difficult to handle our Federal employees on a different basis, in connection with these matters, than the employees in private industry are handled. But, basically, my primary reason for feeling this way is that a great deal of water had gone over the dam as the result of the laws which

had been passed by Congress, and I feel it would be unfortunate at this time to shift over to a new formula.

Senator GEORGE. Congress sometimes makes mistakes. As a matter of fact, I have known a good many of them to have been passed.

Senator MEAD. There is left only 40 percent of this personnel for this committee to take care of, after the other 60 percent have already been taken care of by Congress and the wage boards, and the pattern had been set; and it has been our endeavor to follow this pattern where we could and make it as uniform as possible to eliminate the great stumbling block of the Civil Service in recruitments of personnel. It is just a practical problem we are up against.

Mr. FLEMMING. That is right.

Senator MEAD. And isn't this true: We are approaching the manpower situation in this war because of the greater strain on the manpower resources of the country, along different lines than the need in the last war?

Mr. FLEMMING. There is no doubt about it.

Senator MEAD. We require more manpower resources than are available in this war; we have topped the record, and so, in an attempted solution, private industry and the Government as well have set up the theory of lengthening the workweek and giving an incentive pay to eliminate absenteeism.

In the last war there were many lines that were practically untouched that today are vital.

Senator GEORGE. I do not care to argue the matter, but I do not think you are eliminating absenteeism very fast, and I do not think it is basically sound in a war period, and you are dealing here with a strictly war measure, a temporary war measure, and I do not think it is basically sound to be paying Government employees for 52 hours and getting only 48 hours' service.

Senator MEAD. Of course, there are many reasons why we have absenteeism, but we are not having absenteeism to a very marked degree among the trained workers who have been employed in private enterprise over a period of years. We are having absenteeism particularly from employees who are unaccustomed to this type of work and in some instances who do not find it absolutely essential that they do work. It is a new type of worker that is being broken in. Many of the veteran workers, the trained workers that would work without loss of time, are in the Army or armed forces. We are recruiting now from every walk of life, and as the result of that we are enduring some absenteeism.

Senator GEORGE. Let me ask Mr. Flemming:

In your fund of experience and the experience of the Civil Service Commission, generally speaking would the Government employees rather have a basic increase in pay, or even a temporary war increase, or have the overtime principle injected into the law on a temporary basis such as we are proposing here? Would you be prepared to answer that?

Mr. FLEMMING. Frankly, I am afraid I am not in a position to reflect the sentiments of the employee.

Senator GEORGE. Don't misunderstand me at all; I agree with Senator Langer; I am willing to say that their salaries shall be whatever is right. If you increase the basic pay of all Federal employees

straight through 25 percent, if 25 percent is necessary, then I am in favor of it, and I think it can be differentiated from the industrial group and the Little Steel formula. I don't think you have anything in this provision, anyway, that bears such a remarkable similarity to the Little Steel formula, except the 15 percent which happens to be in there. I am all for the principle of paying, and I am not so sure I don't think that the 15 percent is going to be an inadequate increase—certainly, it will not be too much for people to whom you cannot apply this formula, and, therefore, I would just rather go it straight. I know how you gentlemen feel about it.

Senator MEAD. It is your opinion, Senator, that the 15 percent is inadequate, especially in the lower group?

Senator GEORGE. Especially where you cannot apply—there are numbers of cases—they are negligible perhaps compared to the whole—where you have to apply the bonus principle, anyway, of 15 percent, because you cannot apply your overtime principle to it.

Mr. FLEMMING. That is right.

Senator GEORGE. And those are the very ones I think Senator Langer is quite right about. You might pick out innumerable other instances where the 15 percent is a very slight increase in view of all the additional burdens placed on Federal employees.

Senator MEAD. Of course, as Mr. Young said, we will probably meet with resistance.

Senator GEORGE. Yes, we would.

Senator MEAD. Because of the 15 percent formula situation—by the Wage Stabilization Board.

Senator GEORGE. I think we are going to meet it anyway. I don't think some of our industrial friends are greatly enamored with the 15-percent Little Steel formula, and they are going to insist that this not be added.

Senator MEAD. You think some are going to insist it is a "little steel"?

Senator BURTON. One figure might help on that.

You indicated that this bill, as a whole, would increase the expense, over the temporary measure we now have, about \$273,000,000 a year?

Mr. FLEMMING. Yes, sir; that is correct—is it not, Mr. Young?

Mr. YOUNG. Yes, sir.

Senator BURTON. Can you separate your section 3 portion from the section 2 portion?

Mr. FLEMMING. Mr. Young, can you give the figures on that?

Senator MEAD. I think any figures on the sections ought to be presented by the Budget, and it will be probably proper for us, before we adjourn, to tell you that Senator Burton and others, and Senator Langer, have asked for certain figures on certain portions of the bill so that you might come prepared to give us a break-down analysis of the cost, section by section, or even group by group in some instances; is not that right?

Senator BURTON. That is right.

Senator MEAD. In other words, come prepared to give us plenty of figures.

Mr. YOUNG. All right, sir.

Senator MEAD. The committee will stand adjourned, if it is agreeable, until tomorrow. I know that a number of the committee mem-

bers who are not here today will be here, and we want to hear from them and have the benefit of their opinion. I hope that you gentlemen present today can be back with us tomorrow.

Senator GEORGE. What time tomorrow?

(Discussion was had outside the record.)

Senator MEAD. Then, the committee will now adjourn until 10 o'clock tomorrow morning.

(Whereupon, at 12 m, the committee adjourned until Friday, February 26, 1943, at 10 a. m.)

OVERTIME COMPENSATION TO GOVERNMENT EMPLOYEES

FRIDAY, FEBRUARY 26, 1943

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON CIVIL SERVICE,
Washington, D. C.

The subcommittee met pursuant to adjournment, at 10 a. m., in room 249, Senate Office Building, Senator James M. Mead (chairman) presiding.

Present: Senators Mead (chairman), Scrugham, and Langer.

Also present: Senator Aiken.

Senator MEAD. The committee will come to order, both major parties being represented, and will proceed.

Gentlemen, on yesterday the members of the committee suggested that the Bureau of the Budget prepare figures to be submitted to the committee and to the record with reference to the costs for the total bill, per section of the bill, and such other figures as may be germane, so we hope, Mr. Young, that you are well equipped with the necessary material and ready to put it into the record.

STATEMENT OF EDGAR B. YOUNG, CHIEF ADMINISTRATIVE ANALYST, BUREAU OF THE BUDGET

Mr. YOUNG. My name is Edgar B. Young, chief administrative analyst, Bureau of the Budget, representing Mr. Harold D. Smith, Director of the Budget.

Mr. Chairman and members of the committee, yesterday I understood that Commissioner Flemming cited an over-all cost figure of approximately \$270,000,000 for the added cost which results from the enactment of the legislation under consideration by the committee.

Senator MEAD. That is the cost of the—

Mr. YOUNG (interposing). That is the estimated over-all cost.

I need to break that down so that it may be properly interpreted. That is the over-all cost, based upon the application of the principles embodied in this bill, to the entire Federal service. It is obvious that the text of the bill does not apply to the Postal Service, so that a proper adjustment need be made. But in order that the committee might see the total picture with reference to the total number of Federal employees in event the same set of principles were applied to all employees, we arrived at the total figure of \$277,000,000.

Senator MEAD. That includes postal employees?

Mr. YOUNG. Yes, sir.

Now, to break that down, first of all the bill as drafted would not include the postal workers and the estimated cost of applying the prin-

ciples of this bill to the postal workers would be \$38,300,000, so that the added cost of the provision in this bill, excluding those postal employees, we estimate to be \$239,000,000, approximately.

Senator AIKEN. How do you get that, 277,000,000 plus 38,000,000?

Mr. YOUNG. No, sir; that is 277,000,000 minus 38,000,000.

Senator MEAD. The 277,000,000 includes postal, and what is the figure, exclusive of postal employees?

Mr. YOUNG. \$239,000,000.

Let me emphasize that that is our estimate added cost, by reason of the changed provisions of this bill over and above the cost of overtime compensation, now being paid in the Federal service.

That \$239,000,000 is made up as follows:

The added cost by reason of the change in formula from 360 to 260 is approximately \$219,000,000. I want to come back in a moment to this and amplify it, or indicate how that figure is developed.

The added cost, by reason of the elimination of the \$5,000 ceiling we estimated to be approximately \$15,660,000.

Senator AIKEN. You have eliminated the \$5,000 ceiling?

Senator MEAD. Eliminated the \$5,000 ceiling but did not eliminate the \$2,900 on which the overtime may be calculated.

Mr. YOUNG. Overtime?

Under the terms of the bill as it is written, overtime compensation would be payable on the first \$2,900 of the employees' compensation.

Senator MEAD. Regardless of the ceiling, or the salary?

Mr. YOUNG. Without a \$5,000 ceiling.

Senator AIKEN. If anyone received \$8,000 a year, they would collect an increase on \$2,900 just the same?

Mr. YOUNG. Which, under the formula contained in the bill would amount to \$870 a year.

We estimate there are 18,000 such employees and at an average of \$870 a year, we arrive at the \$15,660,000.

Senator AIKEN. Is that before or after the McKellar bill passes?

Mr. YOUNG. I might say that the estimate of 18,000 is derived from the figures that were prepared to indicate the number that would be covered by the McKellar bill.

Senator AIKEN. I understand that.

Senator MEAD. After it passes the Senate, and before it is vetoed.

Senator AIKEN. I don't know about that. I expect it might be.

Senator MEAD. We, of the Civil Service Committee, must defend the civil service.

Senator AIKEN. I tried to.

Mr. YOUNG. There is an item of approximately \$4,000,000 which I might add is extremely difficult to estimate because of the lack of any accurate figures, which would represent the added cost of the bonus payment in those agencies of the Government other than the Postal Service, where employees are receiving a bonus under the present law.

Those are the three major items.

I should like to go back a moment, if I may, to the item for change in the formula.

I think the amount of the increase which would occur if the formula be changed needs to be very carefully and clearly stated. Overtime payments for 48 hours a week, using the formula that a day's pay

equals 1/360th of the annual salary, under the present law, amounts to 21.6 percent of the base salary.

If the formula be changed and actual time and one-half be paid, the overtime would amount to 30 percent of the base salary, without regard to the ceiling.

That means that the amount of overtime under the new formula is 38.9 percent more than the overtime currently being paid. However, that should not be confused as representing a 38.9 percent increase in the base pay of the employee. If this bill were enacted, the increase in earnings which the employees would receive would be 6.9 percent above their present gross earnings.

Let me illustrate that with a very simple example.

Assuming an employee's rate of pay is \$100 a month.

Under the current overtime law, he would get \$121.60 whereas, under the proposed law, he would get \$130.

The increase above his present earnings level would be 6.9 percent.

Senator AIKEN. That is about the level, or above the level, which was put into effect the first of January.

Mr. YOUNG. That is correct, sir. That percentage increase in the total cost of the overtime allowance, namely 38.9 percent, is the basis for calculating the \$219,000,000 which represents the added cost of overtime compensation which would be the result of the change in the formula.

Mr. Chairman, are there any questions with respect to the cost features of the bill?

Senator MEAD. Let me see if we have answered all the questions with reference to the sections of the bill, brought to your attention. Senator Langer, I believe it was, wanted to know something about the cost of section 3, officers and employees, and so forth, engaged in intermittent, irregular, and not full-time jobs.

Mr. YOUNG. That is the item of \$4,000,000 I mentioned.

Now, that item is estimated, in an application to the Postal Service, under the present law to be \$17,000,000 and if this same principle were applied to the Postal Service, there would be an additional 8½ million in bonus payment, to postal employees, the amount of the bonus payment would be increased by 50 percent in the proposed change.

Senator MEAD. The Senator also asked for some information with reference to the lower, poorly paid groups, and what would be the cost if their increases were raised above the 60-percent level.

Mr. YOUNG. As I understood it, the Senator was pointing his question solely to those groups, the nature of whose work was such that they could not work overtime, and it had no reference to the overtime group.

In the coverage of the bill alone we have estimated \$4,000,000, and if it were 30 percent it would be twice that amount, \$8,000,000.

Again, I point out that the large group of bonus payments occur in the Postal Service, and there are only a scattered number who would receive it among the balance of the Federal employees, and the largest single group who would receive any benefit or payment under that clause would be in the War Department, where the fire fighters, guards, and so forth, are covered.

They would receive a bonus payment in lieu of overtime, and there are 40,000 such employees.

Senator MEAD. Outside of the Postal Service?

Mr. YOUNG. In the War Department alone, approximately 40,000.

Senator MEAD. How many altogether, in all departments, would receive the 15 percent?

Mr. YOUNG. I would estimate approximately 120,000 to 130,000. I think it should be mentioned also that the bonus aspect of this pay legislation is comparatively a very minor part of it.

The principle of the longer workweek has been uniformly established, and out of the total of $2\frac{3}{4}$ millions of Federal employees only a very small fraction do not work the 10.

Senator MEAD. That is the 15-percent bonus group?

Mr. YOUNG. Yes, sir; who are susceptible to bonus payments, rather than overtime.

Senator MEAD. You gave us the figures as to the cost of that; would you give us those again?

Mr. YOUNG. Of the overtime?

Senator MEAD. No; the 15-percent group. What would be the total?

Mr. YOUNG. Under the coverage of the bill, as written, an additional \$4,000,000, if the principle be applied to the Postal Service, it would be a total of $12\frac{1}{2}$ million.

Senator AIKEN. Section 7, Mr. Young, was in the Emergency Act that we passed during the last session, was it not?

Mr. YOUNG. Yes, sir.

Senator AIKEN. Have the heads of the departments generally complied with that?

Mr. YOUNG. Yes, sir. I should like to amplify that if I may:

Immediately following the enactment of the temporary pay legislation, you will recall that the President issued a memorandum to the heads of departments and agencies, simultaneously with his approval of the bill, in which he expressed his desire that the general standard of a 48-hour week be followed and in very vigorous terms expressed his desire for the elimination of all unnecessary functions, all excess personnel and a tough drive to hold down and reduce the personnel of the Government.

The Bureau of the Budget issued instructions to the departments and agencies. Several days following the issuance of the President's memorandum—for the purpose of carrying out a mandate contained in section 2 of the temporary pay bill.

The departments and agencies have generally complied with the request for the submission of information in justification of the number of employees. They had, until the 22d of January to get those reports in. The volume of reports is, obviously, very great and it a very sizable job to analyze the material. That has been and is currently being done.

The findings with respect to the necessary number of employees in the respective agencies will be made for the first group of agencies within several days' time.

That will be a continuing process and, as findings are made of agencies' personnel needs and requirements, those agencies will be notified of the determinations.

At the moment, it is impossible to predict the extent of savings that will result from the review. I can indicate some generalization about it.

First, the kinds of savings to be anticipated are those resulting from the application of the 48-hour week, those resulting from the elimination of functions or activities, and those resulting from simplification of procedures or streamlining, speeding up of processes.

The application of the 48-hour week has very practical limitations in its possibilities for resulting in large reductions in personnel. The War and Navy Departments were previously on a 48-hour week before the enactment of the legislation, and consequently, no savings can occur in those departments by reason of the 48-hour week alone.

Senator MEAD. This represents a very high percentage of the total, the employment of those two departments, does it not?

Mr. YOUNG. It represents more than two-thirds of the total Federal service employees. The personnel reductions possible from the lengthening of the workweek are also practically limited to activities which are production or mass repetitive in nature. Many of the smaller activities or smaller units will not be able to lose the services of a whole person by the result of the lengthening of the workweek. However, notwithstanding those limitations, there will be substantial reductions in the personnel requirements of the agencies as a result of the 48-hour week. We think there will be a much greater reduction possible as a result of the elimination of functions and activities.

Senator AIKEN. Did any department head voluntarily report that he was hiring help that he did not need?

Mr. YOUNG. There have been a number of suggestions from department heads as to the way they could, by applying a tougher standard than had been applied at any previous time, reduce the number of their employees.

I think it is also appropriate to point out that in many of the war agencies, there have been a large number of vacancies. That is, their authorized strength was considerably above their actual number of employees. In many of these, there is a very severe arrearage of work that can only be brought up to date over a period of time, or by the employment of additional personnel. What we can look for in many such agencies is a reduction in their personnel requirements which may or may not, depending on how close they are at the present time to their minimum personnel requirements, result in an actual reduction of their present numbers of employees. But it will certainly result in a reduction in their authorized strength, and in their demand for future recruiting.

Senator MEAD. When you talk about the suspension of activities and functions, do you have in mind, forcing through the authority in the resolution and in this bill, by eliminating employees, the suspension of functions, or do you have in mind the curtailment of appropriations which already have been started in the House, as a means of eliminating functions and suspending activities?

Mr. YOUNG. We have both in mind, Senator.

We have asked the agencies in their reports to us to indicate those functions and activities in the report, which, during the war period, in their judgment, could be dispensed with, but which are required, by some existing law or regulation.

At a later date, compilations will be prepared of those kinds of functions and activities and there will no doubt be proposals made to

the Congress for the necessary legislative changes to reduce or eliminate certain functions.

Senator MEAD. Are you eliminating, as fast as possible, the construction of Federal buildings and the activities of the Bureau of Roads, the Bureau of Parks, and of other activities that could very well be put off until the post-war period?

Mr. YOUNG. Yes. My understanding has been that the Bureau has been very tough in its orders of reductions, postponements, eliminations and all those kinds of activities which are not required for the war purposes.

Senator MEAD. But your agency has a controlling influence in the matter of curtailment of appropriations for these nonessential war activities, does it not?

Mr. YOUNG. Yes, sir.

Senator AIKEN. Then, in addition to that, the Appropriations Committee of the House or the Senate may cut them severely.

Mr. YOUNG. Yes, sir.

Senator AIKEN. And you have that in mind, that it may result in the suspension of functions and activities not necessary at this time?

Mr. YOUNG. That is right, sir, and I think there will be numerous proposals, numerous orders for the elimination, curtailment, or postponement of functions which can be done under existing law, and an additional set of proposals which will require legislative changes to accomplish.

Senator AIKEN. What can you tell us about the manpower rating given the different departments? I understand that they are given different groups of classifications such as class 1, 2, 3, 4, and 5.

Mr. YOUNG. Under Executive order, the Bureau of the Budget is obliged to establish priority ratings indicating the relationship of the activities to the War program.

That rating scale is a 5-point scale, starting at the top with those agencies directly engaged in combat activities, or the production of war material, or the transport of war material, or personnel.

Senator AIKEN. They would be No. 1, class 1?

Mr. YOUNG. Yes, sir; they would.

Senator AIKEN. How many classes are there?

Mr. YOUNG. Five.

Senator AIKEN. Five?

Mr. YOUNG. That is right.

Senator AIKEN. And they are classified, of course, in accordance with their importance?

Senator MEAD. Importance to the war effort.

Mr. YOUNG. Yes, sir; to the war program.

Senator AIKEN. And the War Manpower Commission is classifying them?

Mr. YOUNG. The Bureau of the Budget classifies them.

Senator MEAD. Do you classify them without the aid of the Civil Service Commission, or the Manpower Administration?

Mr. YOUNG. The responsibility for the determination of the priority classification is solely upon the Bureau of the Budget.

Senator AIKEN. It has been somewhat of a mystery to my mind sometimes, how the employees of the Comptroller General's office practically all get classified in group 5.

Does that mean that the auditing of accounts is considered somewhat unnecessary during wartime?

I think they are very vital, at a time like this, and yet they are mostly in group 5, or the unnecessary group which is an invitation to the other groups to come in and raid them and get all the help, the better help away from them so that the department or the emergency agencies that are raiding cannot be properly audited.

I was wondering how they happened to get put into group 5, instead of on a list of important employees?

MR. YOUNG. May I place in the record a comment with respect to the classification of the General Accounting Office?

I do not know from memory whether all of the employees there are in class 5.

(The comment is as follows:)

The priority classification of the activities of the General Accounting Office had previously been in classes 3 and 5. Recent action by the Director of the Bureau of the Budget has revised this classification so that all activities of the General Accounting Office, except for the Postal Accounts Division, have been placed in class 2 and the Postal Accounts Division in class 4.

The section of Executive Order 9243 which provides for the priority classification is as follows:

"In conformity with the policies of the Chairman of the War Manpower Commission, the Director of the Bureau of the Budget shall from time to time establish priority classifications of the several executive departments and agencies or parts or activities thereof, based upon the relative importance to the war program of the functions performed."

As a guide in determining the priority classifications of agencies, the following categories have been established:

Category 1.—Agencies or parts or activities thereof (a) directing combat activities; (b) directing the procurement, production, and distribution of war articles and the utilization of the Nation's manpower, such as war material and personnel for our own combat forces, ships, and supplies for our allies; and (c) directing the suppression of subversive activity.

Category 2.—Agencies or parts or activities thereof which (a) directly assist in the procurement, production, and distribution of war articles and of non-combatant personnel essential to the war effort; (b) are responsible for the stabilization of the national economy; (c) handle foreign relations.

Category 3.—Agencies or parts or activities thereof whose work is related to the war effort through the handling of special problems of a nonmilitary nature arising from the war, such as the conservation and acquisition of needed materials and articles and the transportation thereof.

Category 4.—Agencies or parts or activities thereof whose work is largely of a service nature which has been increased due to the war and those furnishing data to agencies classified as category 1, 2, and 3.

Category 5.—All agencies or parts or activities thereof not covered by above.

Senator AIKEN. They are not all, but just most of them.

MR. YOUNG. I have the impression that a part of the employees in the office of the Comptroller are in a higher bracket.

Senator AIKEN. I happen to know that they are losing their better help, something that places them in the position so that they cannot properly—at least much longer—properly audit the expenditures of the departments that are doing the raiding.

MR. YOUNG. I think a reasonable point of view is that in time of war, the Federal Government has no business carrying on any activities which are not related to the war program, and to the maintenance of orderly government and the maintenance of health and well-being of individual citizens of the country.

Senator AIKEN. I think that tax bills have something to do with the health and wealth of the citizens.

Mr. YOUNG. I thoroughly agree with you, sir. The classification, class 5, should not be, in my judgment, construed to mean that the function is wholly unrelated to the war program, but in an effort to evaluate the relative relationship to the war program, the performance of the auditing functions may be recognized to be of less importance in determining the outcome of the war than the functions in higher priorities.

Senator AIKEN. Well, this auditing is considered important enough by some of the departments that they are hiring outside auditors to do the auditing for them.

It seems to me that that should be done by the Comptroller General's Office. They have even gone so far as to get outside auditors to audit for firms they are doing business with, which also is not a healthy condition, so I wondered how the Comptroller General's employees happened to get put into group 5.

Mr. YOUNG. If I may, I will place a statement in the record in explanation of that. I am not prepared from memory to give you the facts on that particular priority classification.

Mr. Chairman, at this point, may I suggest an amendment which the Bureau of the Budget desires to submit to the committee with respect to section 7?

Senator MEAD. What is the nature of it?

Mr. YOUNG. Pertaining to the function which the Bureau is called upon to perform under section 7 of the legislation, the determination of the numbers of employees.

Senator MEAD. On page 4, section 7?

Mr. YOUNG. Yes, sir; page 4, section 7.

The section, with the suggested amendment, is as follows:

SEC. 7. The heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this act, shall present to the Director of the Bureau of the Budget such information as he shall from time to time require for the purpose of determining the number of employees required for the proper and efficient exercise of the functions of their respective departments and agencies. The Director shall from time to time, determine the number of employees so required and any personnel of any such department or agency in excess thereof shall be released at such times as the Director shall order. Sections 2 and 3 of this act shall cease to be applicable to the employees of the agency affected unless the head thereof shall certify within 30 days of the effective date so prescribed by the Director that the number of employees of his agency does not exceed the number determined by the Director to be required for the proper and efficient exercise of its functions. Any determinations and directions made by the Director under the authority of Public Law 821, Seventy-seventh Congress, are hereby continued in effect until modified by him. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section whose services are needed in and can be effectively utilized by such other departments or agencies.

The suggested revision of the text of this section will result in the performance of a continuing process of determining the numbers of employees required in each activity. It could be done much more satisfactorily if it were possible to stagger the dates on which reports and findings were to be obtained from the various departments and agencies, instead of the requirement that those findings be made at one particular time.

It is also quite important that the findings made under the existing temporary law be continued in effect until new findings are made.

Under the temporary law, as it stands now, there will be no further findings after the expiration of the legislation on April 30.

The proposed amendment would, we feel, embody all of the principles which were in the original text of this section of the temporary bill and which are carried forward in section 7, but our suggested amendment to section 7 would make it much more practical of administration.

Senator MEAD. You are offering this new section, are you?

Mr. YOUNG. Yes, sir; as a substitute for the present section 7.

Then I should also like to offer the suggestion that sections 7 and 8 of S. 635 be transposed in their positions.

That is, that section 8 become section 7, and conversely, section 7 now becomes section 8 and that in line 7, page 5, delete the word "provisions" and insert the words, "the foregoing sections."

Senator MEAD. Read that again, will you, please.

Mr. YOUNG. Line 7, page 5, delete the word "provisions" and insert the words "foregoing sections."

The point is that the Civil Service Commission, by this bill, under what is proposed to be section 7, has the authority to issue rules and regulations necessary to administer overtime and bonus sections of the act, and I think it evident that the regulations of the Commission should not apply to the functions of the Bureau of the Budget, with respect to the determination of the number of employees in the departments and agencies. The Civil Service Commission agrees with us in that transposition of sections.

Senator MEAD. All right; thank you.

Mr. YOUNG. I understand that Commissioner Flemming, on behalf of the Civil Service Commission, proposed several other amendments yesterday.

I am aware of those and the Bureau of the Budget concurs with them.

Senator MEAD. There were three amendments he offered.

Mr. YOUNG. Yes, sir; and we concur with them.

Senator MEAD. Senator Aiken, there were three amendments offered yesterday by Mr. Flemming and this was in reference to those amendments.

Senator AIKEN. Thank you.

Mr. YOUNG. Mr. Chairman, Senator Langer yesterday requested certain information which I think I should insert, in compliance with his request. He was discussing the question of whether the 15 percent increase was adequate for those employees whose base rate of pay is \$1,620 or less, and he asked for examples of employees in industry whose annual earnings are at a lower rate than that.

From the releases of the Department of Labor on February 19, 1943, the following industries had employees with average annual earnings, assuming a 50-week year, at a rate of less than \$1,620 per annum.

The sawmill industry; the furniture industry; brick, tile, and terracotta; pottery and related products; textiles, apparel and so forth; textile mill products and fiber manufacturing; apparel; boots and shoes; butter; sugar refining, cane; confectionery; beverages, non-alcoholic; canning and preserving; tobacco manufacturing; paper boxes; drugs, medicines, and insecticides; cottonseed oil; fertilizers; retail trade; hotels; laundries, and dyeing and cleaning.

Senator MEAD. They all had annual salaries under \$1,600?

Mr. YOUNG. Average annual earnings under \$1,600.

Senator AIKEN. You left out coal miners.

Mr. YOUNG. It is fair to point out that those are all non-durable-goods industries.

Senator AIKEN. I believe when the figures were submitted of the average earnings of the coal miners, they were somewhere around \$900 a year, and that included the office executives.

Senator MEAD. That was probably due to the fact that they did not work, there was not enough work for them.

Senator AIKEN. That is annually.

Senator MEAD. They did not work every day, there was not enough for them, or there were reasons why they could not work every day.

Senator AIKEN. And I think there were 150 or 200 thousand that averaged only around \$350 a year.

Senator MEAD. Will you put that in the record for Senator Langer, please, Mr. Young.

Mr. YOUNG. I will insert the table, if I may.

(The table referred to is as follows:)

TABLE 1.—*Earnings under \$1,620 a year in various industries*

Industry	Average weekly earnings in industry December 1942	Annual rate assuming a 50-week year
All nondurable goods.....	\$32.08	\$1,604
Sawmills.....	26.37	1,318
Furniture.....	30.86	1,543
Brick, tile, terra-cotta.....	29.26	1,463
Pottery and related products.....	31.08	1,554
Textiles, apparel, etc.....	25.71	1,286
Textile-mill products and fiber manufactures ¹	26.73	1,336
Apparel, other finished textile products ¹	24.27	1,214
Boots and shoes.....	27.52	1,376
Butter.....	29.71	1,486
Sugar refining, cane.....	30.74	1,537
Confectionery.....	26.49	1,324
Beverages, nonalcoholic.....	28.63	1,432
Canning and preserving.....	25.65	1,282
Tobacco manufactures ¹	25.26	1,263
Paper boxes.....	31.06	1,553
Drugs, medicines, insecticides.....	30.75	1,538
Cottonseed oil.....	22.20	1,110
Fertilizers.....	22.59	1,130
Retail trade ¹	22.87	1,144
Hotels (year round).....	19.14	957
Laundries.....	22.40	1,120
Dyeing and cleaning.....	25.22	1,261

¹ Covers several subgroups, nearly all of which average below the \$1,620 limits.

Source: Weekly figures from Department of Labor, release of Feb. 19, 1943.

Senator MEAD. You said "paid less than \$1,600," how much less?

Mr. YOUNG. It ranges from \$957 for hotels, upward to the highest, the average for all nondurable goods industries, which is \$1,604.

Senator MEAD. \$1,604—so they were just over the line.

Mr. YOUNG. And these range up to approximately \$1,600.

Senator MEAD. And of course the hotel workers include bell hops, waiters, porters, and others probably receive as much in tips, in some instances, as they would in salaries.

Mr. YOUNG. If I understood Senator Langer's point yesterday, I think he was questioning whether with the general rise that has occurred in industrial wage rates and overtime earnings, there were any substantial groups of industrial employees currently receiving less, as a group, than the Federal employees.

He had in mind that, I think, and I believe it is evident that there are very substantial groups who are receiving less.

Senator AIKEN. The average family does not receive over a third of that \$1,600 amount.

Senator MEAD. Of course they have not the cost of living, probably, to combat that the average Federal employee would find in the city of Washington and in other large cities of the country; nor, do they have the fixed charges to meet.

These lower-paid employees Senator Langer was talking about, have to pay the Victory tax, the bond contribution, retirement pay, and he spoke about various other items that probably would not affect these workers who are, for the most part, in small communities or rural sections of the country.

Mr. YOUNG. With respect to tax payments and bond payments, I think it fair to suggest that we can hardly expect wage increases or earnings increases to offset the tax and bond purchase obligations which are required by the war program.

I think they may more accurately be looked upon as necessary belt-tightening process and call for a reduction in standards of living as being necessary for the war program.

But there is some base below which there is no room to tighten the belt.

Senator MEAD. The Senator was thinking about that base, about the employees who could not come to Washington and live under existing conditions because of the low salary scales that they were receiving. I imagine that he had in mind only that low paid group that could not bear any further expenses.

Mr. YOUNG. That is right.

Senator AIKEN. I was up at our State capitol, day before yesterday, Senator, and I found considerable trouble up there, and I think it probably applies to all the rest of the country as well due to the fact that if you pay employees in Washington enough to live on, and that applied to all employees around the country, that you completely disrupt the scale of wages which others in the localities where they are stationed particularly in rural areas, are unable to meet.

One thousand six hundred and twenty dollars in Washington goes no further than we will say about \$1,000 or \$1,100 out in the States, and that is pretty much disrupting our State salaries.

Mr. YOUNG. Mr. Chairman, Senator Aiken's comment brings to my mind this general problem: Very appropriately this committee and the House Committee are considering legislation on pay matters at the moment which involve a minimum of changes from the existing pay situation.

We are working against a dead line set by the expiration date under the present temporary bill.

I would like to express the hope, as I did yesterday, before the House Civil Service Committee, that the way will be left open for a much more intensive and thoroughgoing review of the entire pay structure

of the Federal service after this immediate problem has been disposed of, and certainly one of the questions which any serious review should look into is this question of Nation-wide, uniform salary rates.

That is a principle that many years ago was established by the Congress. There appears to have been no disposition to depart from it, but if we are going to have an opportunity to undertake a thoroughgoing study of revisions in rates of pay, it occurs to me to suggest that some attention to the problem of Nation-wide, uniform pay scale, schedules, or rates might be warranted.

Senator AIKEN. Well, as the State officials meet or somewhere nearly meet the Federal pay scale, which is climbing, as soon as they meet the wage scale and raise the salaries out in the country, nobody wants to come to Washington, and there is your situation there.

As a matter of fact, your departments here in Washington gave the employees a questionnaire some time ago, asking them for suggestions as to ways in which they could get girls to come to Washington. They would not come, and the reason given was because the local wage scale had been raised to the point where they were several hundred dollars a year better off in their homes, rather than coming here.

Mr. YOUNG. The same thing applies to employees of Federal agencies in the field.

The girl can get the same rate of pay for the same kind of a job with the same overtime provisions in a small home town that she would get if she came to Washington, or any other large city where living costs are very much higher.

Senator MEAD. So, it is to her advantage to take her high salary, if it is a high salary, and find a location in an area where she might find employment, and at the same time her salary would secure her a better living and thus she would apply for a transfer to that low cost area.

Mr. YOUNG. That is right, and I think it is obvious that the pressure for the cost of living inevitably comes from the high-cost communities and large cities. The application of this established principle of Nation-wide uniformity of pay rate, the principle that a job in the Federal Service shall have the same rate of pay wherever it occurs, results in what appears in many local communities to be excessively high payments for those same kinds of positions.

Senator MEAD. It will be difficult to tell a letter carrier in Nebraska that he cannot have as much pay as a letter carrier in Washington or New York.

Mr. YOUNG. Very difficult.

Senator MEAD. And more difficult to get a Congressman to reduce the pay of his mail carriers over the pay set for letter carriers in New York, or some other area.

Mr. YOUNG. I do not want to be misconstrued as recommending at this time a departure from any uniform pay rate, but as Senator Aiken suggested, if there is an opportunity for a thoroughgoing study of the pay situation, that is a problem that certainly needs attention.

Senator MEAD. It is a difficult problem.

Senator AIKEN. I do not think that the difficulty lies with the letter carrier, I think that these emergency war agencies have disrupted the local area wages.

Senator MEAD. There was a time when the balance of pay was even, for Federal employees as we knew them and at that time they were principally letter carriers, customs inspectors, immigration inspectors and local civil-service employees and principally school teachers and their scale of pay was commensurate with local conditions at one time, but I am informed that in New York City, in particular, Federal employees have lagged far behind the salaries paid local civil-service employees in similar grades and in some communities you will find that \$2,500 and \$3,000 is the pay now for the local civil-service employee whose salary at one time was on a par with the salary paid the inspector in the Customs Bureau and the clerk and the carrier in the Post Office Department.

Senator AIKEN. You will find New York State far ahead of the rest of the country in that respect.

Senator MEAD. And in most other respects, Senator.

Mr. YOUNG. Mr. Chairman, may I be permitted a moment for a brief observation on the relationship of this legislation to the Postal Service, which is the Service that has been very seriously concerned whenever the pay problem has come up?

Senator MEAD. Yes.

Mr. YOUNG. So far as the Bureau of the Budget is concerned, it is utterly immaterial to us whether the postal employees be treated in this or in separate legislation. That is, in our judgment, purely a matter of committee jurisdiction and we have no opinion on it.

But, we do feel quite strongly that the same set of pay principles should apply to all Federal employees and we should be opposed to the adoption of a set of principles in legislation affecting the Postal Service employees, or any other special group which would materially depart from the set of principles which are applicable to all other Federal employees.

Senator MEAD. Has that been definitely decided upon, that the director of the Budget would oppose a bonus payment for the postal employees as against the time and a half increment for other employees?

Mr. YOUNG. He would definitely oppose such a payment on the assumption that the bonus would be in addition to the opportunity for overtime at straight rates which existing law permits in the Postal Service.

The result in the Postal Service of a bonus plus the opportunity for overtime would be a higher relative increase for the vast majority of the postal employees than it would be possible for other employees to have, that is, assuming of course, that the Postal Service continues as it is now, on a 48-hour week. It obviously must continue, or it won't comply with the general standards for maximum utilization of manpower.

Senator MEAD. If the postal rate per hour was left as it was before the present resolution went into effect, that is, if they were paid straight hourly rates, they would then be at a disadvantage in that their added earnings would only amount to about 10 or 15 percent.

Mr. YOUNG. On a 48-hour week, it would be 20 percent.

Senator MEAD. I am thinking about the 21 percent which the time and a quarter, in the present resolution provides for the average civil-service employee, is it not 21 percent?

Mr. YOUNG. Well, of course that 21 percent arises as a result of the 360-day formula, and it is actually time and a half on that formula.

Now, straight time would result for a 48-hour week, in a 20 percent increase in that the 8 hours represents 20 percent of 40 hours, and at straight time would represent a 20 percent increase.

Senator MEAD. Based on a 360-day work year?

Mr. YOUNG. Based on the actual number of days, the postal employees work, I think their law reads 306 days.

Senator MEAD. So that is based on 306 days, rather than 360 days—and at that would amount to 20 percent added earnings?

Mr. YOUNG. That is my understanding.

Senator MEAD. Then that 20 percent would not equal the 30 percent which would be provided for in this bill, and therefore the postal employees would be working at a 10 percent disadvantage.

Now, suppose the bonus made up the difference between the 20 percent and the 30 percent to the postal—so that the postal employee would retain his present legislative requirements, which are the 40-hour week, or the 8- and 10-hour day, plus straight time for overtime, would the Budget oppose any addition to that straight time for overtime, and such a bonus which would bring it up from 20 percent up to 30 percent, to the level of the other Federal employees?

Mr. YOUNG. Not at all, sir. That would be quite agreeable.

The principle that we would seek to achieve is that in the application of whatever pay-adjustment formula is adopted, no single group of employees receive preference treatment over another group of employees and if the application of a bonus plus the straight time for overtime does not place the postal employees in a preference position over the other Federal employees, then we would have no opposition.

Senator MEAD. What you do not want to do, is to disrupt the balance, or rather I should say what you want to do is to keep in balance, the percentage increase resulting from a 48-hour week.

Mr. YOUNG. Exactly, sir, and the primary reason for that is not to hold down the postal worker, but the very clear realization that if any limited group of employees received a bonus or other pay adjustment which results in substantially higher earnings than the other vast majority of employees obtain, that very fact is bound to invite the demand that same degree of increase apply every place.

Senator MEAD. If they receive 20 percent as a result of the 48-hour week, based upon straight time for overtime, the \$300 bonus would add to the 20 percent, about what—15 percent?

Mr. YOUNG. On \$2,000 it would represent 15 percent.

They average, I believe, between 2,000 and 2,100, so they would have a total of 35 percent.

Senator MEAD. 35 percent?

Mr. YOUNG. Yes, sir.

Senator MEAD. Well, that would not be very much out of line.

Mr. YOUNG. No, sir; not materially above the other.

Senator MEAD. You see, in the Postal Service, we have a different problem, we have a number of laws that have been in operation for many years governing the working standards of postal employees, and then we have the various special-delivery messengers, and rural carriers, mail clerks, and then we have the 8- and 10-hour law in operation and that has become part of the Postal Service, and it permits of the

separation and distribution of mail, and that adds to the efficiency of the Service.

And so, the application of a bill that fits the Department of Commerce throws out of gear the present, or the former efficient mobility of the Postal Service and so that they want separate treatment, and I do not suppose they want preferential treatment, but it occurs to me, if we could work out some formula whereby they were to retain their present legislation and at the same time participate in a balanced increase, that they would be more satisfied than if they were made part and parcel of this bill, and give up the legislation that has been governing their conduct over a period of many years.

Mr. YOUNG. I would agree fully in the desirability of maintaining all those working standards.

I see no reason why the 8- and 10-hour law, and the other provisions which are peculiar to the Postal Service and represent their working standards, should be abandoned at the present time; but the principle of a longer work-week and maximum utilization of manpower, the principle of uniformity of increase in earnings should apply.

Senator MEAD. Yes.

Mr. YOUNG. Now, Mr. Chairman, I have one final matter I should like to mention, for just a moment.

You will recall that when the committee had similar legislation under consideration during the last session of Congress, the Director of the Bureau sent the chairman a letter with respect to the formula for computing a day's pay, for the purpose of calculating overtime.

In that letter Mr. Smith recommended that the legislation provide for a direct conversion of the annual salary rate into annual rate, and suggested that it be based upon 52—40 hour weeks over—or a total of 2,080 hours as the normal full time work year.

Senator SCRUGHAM. Let me get that clear.

Senator MEAD. Fifty-two weeks of 40 hours per week.

Mr. YOUNG. Yes, sir. Fifty-two 40-hour weeks, which equal 2,080 hours.

Senator MEAD. That is putting it on an hourly basis.

Mr. YOUNG. On a straight hourly basis, that is right. The legislation might read that, "For the purposes of computing overtime compensation an hour's pay shall be considered to be 1/2080th of the per annum salary rate."

That suggestion results in exactly the same amount of earnings that the divisor of 260 for computing a day's pay results in, but 260 occurs from the use of 52 5-day weeks.

In peacetime, the standard work week in the Federal service was 5½ days. The time may, and very probably will occur, when the Federal service should go on a 5-day week, but I think that issue should be considered on its merits, and the question of an implied 5-day week should not creep in the back door through consideration of a formula for computing overtime pay.

Senator MEAD. Do you recommend that amendment?

Mr. YOUNG. Yes, sir.

Senator MEAD. Have you an amendment prepared?

Mr. YOUNG. On page 2, line 16, delete—the word, "day", and insert the word "hour"; in line 17 delete "1/260th", and insert "1/2080th".

In line 18, delete that part of the sentence beginning "and the base pay for one hour——".

Senator AIKEN. And also delete——

Mr. YOUNG. Yes; delete lines 19 and 20.

The result is exactly the same.

Mr. Chairman, we have no other amendment to offer.

Senator MEAD. Are there any further questions?

(No response.)

Senator MEAD. If not, we will proceed to hear the armed services.

Mr. Kushnick and Admiral Fisher, will you all come over and sit around the table? There may be questions of common interest.

Have you gentlemen decided which will proceed first?

Mr. KUSHNICK. I will defer to the Navy.

Admiral FISHER. And I will defer to the Army.

Senator MEAD. Admiral, Mr. Kushnick is a very persuasive speaker so would you proceed first? I may say that Governor Scrugham came to us from the House and is well versed in the civil service and makes a great addition to our committee.

Senator SCRUGHAM. Admiral Fisher, I know, is a veteran of many years over in the House.

Senator MEAD. Is that so?

Admiral FISHER. I have sat opposite the Senator many times before, Mr. Chairman.

Senator MEAD. We want you to give us some very good material for the record, because, more so than the stop-gap resolution—that will be necessary in connection with a bill which will be more permanent.

Why does the Navy recommend this legislation?

STATEMENT OF REAR ADMIRAL CHARLES W. FISHER, DIRECTOR OF SHORE ESTABLISHMENTS, NAVY DEPARTMENT (ACCOMPANIED BY CHARLES PIOZET, DIRECTOR OF CIVILIAN PERSONNEL)

Admiral FISHER. Mr. Chairman, first of all, I would like to present the opinion that the per annum employees of the Federal Government have been suffering and are still suffering a gross injustice because of the fact that for many years past, their salaries, generally speaking, have not been increased; whereas, the wages of their colleagues, on a per diem or hourly basis have, since the beginning of 1940, increased greatly.

In the naval service, such increase of wages has amounted to 33 percent in the case of the laboring group, about 28 percent in the case of the helper group, and about 20 percent in the case of the mechanics.

During that time our loyal and hardworking white-collar group with very few exceptions (made on the first of August 1942) have been paid salaries in accordance with the Brookhart Act, without any increase at all.

This has created a very unsatisfactory, and in my opinion, an unfair situation.

Senator MEAD. Are they, for the most part, covered in this bill, the groups that have not been the recipient of wage increases?

Admiral FISHER. Before discussing this bill in detail, I wish to point out that this bill fails to cure that situation in any respect whatsoever.

This bill addresses itself to the question of overtime pay, and an equivalent percentage increase to compensate for lack of overtime pay in those groups of Federal employees whose work does not lend itself to overtime pay calculations. This is a very small group.

Up to the 28th of June 1940, all of the white-collar or per annum employees of the Federal Government were expected to work on a per annum basis, and to work overtime, but were not legally permitted any overtime or extra pay whatsoever for the overtime work they put in.

Beginning on the 28th day of June 1940, with the approval of Public No. 671, a very considerable group of those per annum employees, following the trend not only of economic conditions in private contractors' plants, but also following the doctrine set by the laws passed by Congress, those people were allotted for the first time in many years, overtime pay for overtime work. For this particular group of employees in the field service, the white-collar employees, the Fair Wage and Hours Act, the Walsh-Healy Act, and possibly to a lesser extent the Bacon-Davis Act all set the doctrine that the employees of private contractors engaged in interstate commerce, in Government contract work, and in the building trades work, doing work for the Government were entitled to certain wages, determined in certain particular ways, and time and a half for overtime.

In the Fair Wages and Hours Act the only employees exempted from time and a half for overtime work put in, are the administrative and executive employees, presumably these high officials of companies, rather than the lower ranks of supervisors or clerks, or draftsmen.

I would like with as much emphasis as is proper, sir, to call this matter, which I consider a grave injustice, to the attention of this committee, and to all Federal departments, because I feel certain that failure to cure that situation is going to result in undermanning for the war effort, in the Navy Department, and I believe, in the War Department, and other executive departments of the Government, and will result in—if I may use the term—in continual raking of Congress and the executive branches of the Government, over the coals for what I think is a fair and necessary relief.

I feel that since the wages in private contractors' plants, working for the Government (and that is about half of all of the plants in this country) have been raised, up to the 15th of September 1942, when that date was set as the ceiling date by the Economic Stabilization Act, that our per annum employees should have their salaries increased in accordance with the formulas and the doctrine that have been established by Mr. Byrnes, under the Economic Stabilization Act.

In brief, it would mean something like this, in my opinion, that the 15 per cent allowable as a general rule, from the first of January 1941 to the date of the 15th of September 1942, should be allowed this loyal, hardworking, and up to the present time, uncomplaining group of Federal employees which is so small in comparison with the 17 or 18 million workers that are working for the Government

either with private contractors or with the Federal Government itself, that the singling out of that small group for this discriminatory injustice is unfair.

I trust that it can be corrected.

Senator SCRUGHAM. Does that include the employees in the Washington Navy Yards for example? Is that your principal example?

Admiral FISHER. All the per annum employees of the Washington Navy Yard are in the group that I am talking about that have not had any substantial increase.

The other 80 or 85 percent of the laborers, helpers, and mechanics in the service of the Washington Navy Yard, had these increases, averaging 25 percent, with 33 percent for the laborers, 28 percent for the helpers and about 20 percent for the mechanics.

Senator SCRUGHAM. Give me a few instances of skilled workmen coming under the per-annum class. How about the optical workers, in the optical line?

Admiral FISHER. They don't come under the per annum classification. Under the per-annum class, as prescribed by the Classification Act and as covered as to remuneration under the Brookhart Act, they are the clerical and administrative employees, the clerks, auditors, file clerks, and persons of that sort.

Another group is the professional group, such as engineers, chemists, technicians, naval architects, research engineers, and so forth.

Another group is the subprofessional groups who are well up in education and training.

Senator SCRUGHAM. How about the staff at Bellevue?

Admiral FISHER. The staff at Bellevue Arsenal is 80 or 90 percent in this per-annum group, except those who are contract employees for term employment, for the duration, or a few maybe research workers as well.

Senator SCRUGHAM. Substantially all the research laboratory staff would come under this heading of nonbeneficiary of the increases?

Admiral FISHER. I would estimate not more than 25 percent of them, because I believe 75 percent of them are contract employees, and they can be employed up to a maximum of \$25 per day in accordance with long-standing law.

Senator MEAD. Admiral, you made a very good point when you said that the influence of the Walsh-Healy, the Davis-Bacon, and the Wages and Hours Act placed all of the employees of private industry doing business for the services on a time-and-a-half basis.

Admiral FISHER. Yes, sir.

Senator MEAD. In addition to raising their wages, their wage standards, it placed them on a time-and-a-half basis.

Now then, the Congress, in order to be consistent, it would seem to me, after setting the pattern and establishing a time-and-a-half basis for overtime as a criterion, or as a standard, could not very well deny it to their own employees.

Admiral FISHER. And yet that denial exists, and I think the denial should be corrected.

Senator MEAD. That is correct, but we find that Congress has, in addition to the laws which you quoted and which apply to the employees who are working for the contractors, having contracts with the Federal Governments, that they have also passed special minor acts, I mean minor in that they only cover a small number of employees

in the Army and the Navy, and those minor acts have established the time-and-a-half basis in the armed services for certain groups of employees that worked for the Government, so that if the Congress has already gone on record as establishing a policy of time and a half or that principle for private enterprise, as was done in the passage of the Walsh-Healy, and Davis-Bacon, and also the Wages and Hours Act, if it has also in the passage of legislation, enacted from the Military and Naval Affairs Committees, set up the time and a half as a standard, then how can it deny that same standard to this group, included in this bill, S. 635.

Admiral FISHER. In my opinion, it cannot and should not.

Senator MEAD. It would have to vindicate its attitude and to do that, it would have to go back and wipe out all this legislative procedure by which they have given approval to the laws, and it would seem to me in order to be consistent, that would have to be done.

In other words, we cannot insist that private enterprise doing business with the Government, place their workers on a time-and-a-half basis, we cannot insist that certain employees of the Army and the Navy, and the field services, be placed on a time-and-a-half basis and finally, when we have this group of white-collar workers included in this bill, decide that the time-and-a-half yardstick is not a good one and should be eliminated.

If we do that, we would have to go along the whole gamut and wipe out all the other laws affecting those groups, which could not be done.

Admiral FISHER. In my opinion, sir, if the Congress is going to rescind the time-and-a-half pay for overtime work, they should begin by amending the Wages and Hours Act which covers an enormous number of employees, as compared with the comparatively small number in the Federal Government.

Senator MEAD. And they would have to go back beyond that and repeal the important Walsh-Healy Act and the Davis-Bacon Act or any further acts and bills enacted which required certain standards of employment, and in addition, they would have to repeal the legislation coming from the Military and Naval Affairs Committees, applying to the field services of the Army and the Navy, and so they would have a big job.

Admiral FISHER. I think that job would be impossible of accomplishment.

Time and a half for overtime has become so widespread, so definitely established in the economic life of this country that I do not believe that it would be possible for this, or any other Congress to pass such an act without a very considerable upset and disturbance and trouble.

Senator MEAD. And many industries came to this, without legislation, shortly after the turn of the century, so that time and a half has been a sort of an associate of the machine production of the modern day, and it is just impossible to wipe it out—it is here.

Admiral FISHER. My feeling in regard to that problem is that in common justice, what the Government prescribes shall apply to its contractors and those engaged in interstate commerce, should apply to its own employees:—bring them all as quickly as possible to the same standards, and then later, if necessary, reduce or increase all, equitably.

Senator MEAD. Well, in view of the fact that Government has gone on record so often in favor of time and a half, and the Walsh-Healy

Act—the passage of the Walsh-Healy Act, the Davis-Bacon Act and the Wage and Hour Act—and in the passage of these other acts applicable to the field services of the Army and the Navy, I cannot see where this committee could go into the matter of changing that entire basis; it is too big; it is beyond that—it is a long-established criterion.

We are talking about the principle of time and a half [addressing Senator Langer], which the Government required of contractors doing business with the armed services, in the passage of the Walsh-Healy, and the Davis-Bacon Acts, and then later in the passage of the Wage and Hour Act, and then the Congress came along and passed the legislation recommended by the Army and Navy committees requiring time and a half for certain field employees.

Now, in view of the fact that we require a contractor having business with the Federal Government to put his employees on a time-and-a-half basis and in view of the fact that we put some of our own employees on a time-and-a-half basis, how can we resist giving the same treatment to our own employees who have been working for us in these departments of the Government all these years?

It cannot be done, as I see it, and Admiral Fisher was just reciting the historical progress that has been made in covering all these other people and leaving this group of white-collar workers included in this bill, completely out of the picture altogether, and even if we do give them time and a half, we have not as yet given them the consideration we have these other employees with reference to changing their basic pay.

Admiral FISHER. Which is a matter I consider of vital importance. May I continue, sir?

Senator MEAD. Yes, sir; go ahead.

Admiral FISHER. I have heard the testimony given before this committee yesterday and today and the amendments and suggestions that have been made by other representatives of the Government and I am also aware of the statement from Mr. McReynolds, that this bill, subject I believe to consideration of certain amendments, has the approval of the administration.

I have an amendment or two that I would like to offer.

Senator MEAD. All right.

Have you extra copies of those, Admiral?

Admiral FISHER. Yes, sir [handing].

This is a substitution for section 1 of the bill, and the meat of the substitution is, in the text that I have submitted to you, given on the fourth line, that the act shall apply—

to all civilian officers and employees in or under the United States Government, including those whose wages are fixed on a monthly or yearly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority * * *.

Now, at the beginning of page 1, there is no inclusion of such employees as the commissary service, hospital service, laundry service, and all that sort of service, of which we have about 9,000 in the Navy Department alone in the field service, whose remuneration for a long time has been, generally speaking on a year basis, or sometimes on a monthly basis, and the language as written in the text of the bill is such as would exclude them from the evident intent and desire of the

committee to provide overtime, hence the use of those words there, "including those whose wages are fixed on a monthly or yearly basis," since the per diem employees are covered by other laws.

Senator MEAD. All right. We will put the suggested amendment in the record.

(The suggested amendment to section 1 of S. 635 is as follows:)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall apply to all civilian officers and employees in or under the United States Government, including those whose wages are fixed on a monthly or yearly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose, and including Government owned or controlled corporations, and shall apply to those employees of the District of Columbia municipal government who occupy positions subject to the Classification Act of 1923, as amended, except that this Act shall not apply to (a) elected officials; (b) judges; (c) heads of departments, independent establishments, and agencies; (d) officers and employees in the field service of the Post Office Department; (e) employees whose wages are fixed on a daily or hourly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose; and (f) employees outside the continental limits of the United States, including Alaska, who are paid in accordance with local prevailing native wage rates for the area in which employed.

Admiral FISHER. Before mentioning another amendment, I think I can save time by stating that I concur heartily in the amendment proposed by Mr. Flemming of the Civil Service Commission and supported by Mr. Young of the Bureau of the Budget, for the inclusion of the language whereby the Civil Service Commission, when it finds inequities to exist, may take action looking toward the employment at other than the lowest salary for entrance purposes. I consider that very important, but a very small step toward reconciling this failure of our Government to raise the wages of the per annum employees in the face of considerably increased wages of the per diem employees.

I now suggest an amendment to section 2, and an addition.

It begins:

Officers and employees to whom this Act applies shall be paid overtime for actual work in excess of 40 hours actually worked in any administrative work-week at a rate of one and one-half times their basic rates of compensation: *Provided*, That no overtime compensation shall be paid on any portion of an officer's or employee's basic rate of compensation in excess of \$2,900 per annum: *And provided further*, That in computing the overtime compensation of per annum officers and employees, the base pay for one day shall be considered to be one-two hundred and sixtieth of the respective per annum salaries, and the base pay for one hour shall be considered to be one-eighth of the base pay so computed for one day.

The term "actually worked" is repeated for emphasis several times in the amendment.

The purpose of this is as follows:

Due to the language of certain existing laws, a Comptroller General's decision was rendered some time ago that when an employee was out on leave with pay, or sick leave with pay, it was to be considered as a day's work, and included in the 40 hours. And after 40 hours, including such constructive work, but not actual work performed, the employee would be able to earn time and a half on the succeeding 8 hours or more, so, to give an exaggerated example, it means that, if I am out on leave on Monday, Tuesday, Wednesday, Thursday, and Friday, and decide to come to work on Saturday, I get time and a half for the Saturday 8 hours, because the 8 hours of each of those 5 days

preceding, when I was absent, on authorized absence with pay, is now called constructive work and the succeeding working time that week is overtime.

In my opinion, that overtime should begin after 40 hours of actual work, and not after 40 hours of leave with pay or vacations, and that is the purpose of this amendment.

Senator LANGER. May I ask a question?

Senator MEAD. Certainly, Senator.

Senator LANGER. Is that true, even though the man is sick, Monday, Tuesday, Wednesday, Thursday, and Friday?

Admiral FISHER. Yes.

Senator LANGER. That is true, even though the man is sick, Monday and so forth—where a fellow worked all year, worked hard all year and got sick on those days, Monday, Tuesday, Wednesday, Thursday, and Friday, and is away from work sick, he should not get, in your opinion, time and a half for overtime, after that?

Admiral FISHER. Exactly.

Senator MEAD. Or any other day?

Admiral FISHER. Or any other day, yes.

Senator MEAD. Of course, as it is worked, it usually starts on Saturday, does it not, because he would get a 40-hour week, and leave for that time, and after his 5 days, he would come in, say on Saturday and work for overtime.

Admiral FISHER. There are many firms whose work week generally begins on Monday and Tuesday and Wednesday and then the last day would not be Saturday.

Senator MEAD. So, it should apply to every day, I can see that.

Senator LANGER. Pardon me once more. Is it just your personal opinion, or the opinion of the Navy Department you are expressing?

Admiral FISHER. This is my personal opinion.

The Navy Department's comments on this bill have not yet been cleared through the Bureau of the Budget.

I was authorized, however, to express my personal opinion freely to the committee.

Senator MEAD. And the Navy's reaction will be forthcoming?

Admiral FISHER. Yes, sir.

Senator LANGER. See if I get you straight, I want to be sure I am right.

An employee gets hurt through no fault of his own, while working and is laid up Monday, Tuesday, Wednesday, Thursday, and Friday.

He goes to work on Saturday. You figure that he is not entitled to pay at time and a half?

Admiral FISHER. Yes, sir.

Senator LANGER. Do these men who are on sick leave, who are hurt, get any insurance of any kind that you know of?

Admiral FISHER. They get two things, Senator.

Senator LANGER. What then is that?

Admiral FISHER. One is, they are allowed 15 days' sick leave with pay, per annum, provided they can meet the requirements and prove they were actually sick.

In addition to that, if they were injured in health, or due to accident on account of their occupation, the law has established an Employee's Compensation Commission which pays them stated compensation,

gives them hospitalization in public hospitals, and takes care of them otherwise in a way that is quite generous in my opinion.

Senator LANGER. Well, would you give us a concrete example of just what happens to a man who has five or six children and is going along with his duties and some fellow runs into him with an automobile and lays him up for 5 days?

What does he get in dollars and cents for that family?

Admiral FISHER. He gets the same as before, provided the injury is in the navy yard, and in connection with work.

Senator LANGER. His pay goes on?

Admiral FISHER. Yes, sir.

Senator LANGER. What does he get, in addition to that?

Admiral FISHER. For his injury?

Senator LANGER. For that 5 days?

Admiral FISHER. Nothing, in addition for that, except insofar as the compensation laws may provide for continuous treatment or recompense for partial disability or total disability, and I am not familiar, I am sorry to say, with the amounts allowed.

Senator LANGER. This man who is hurt those 5 days goes to a doctor; who pays for that doctor?

Admiral FISHER. He can be treated by the Federal Government free of charge. The Public Health Service formerly did that, and in recent years, we have our own medical department for that service.

Senator LANGER. He may not be in or near a navy hospital.

Admiral FISHER. He must be near a naval hospital or station if he is injured in a navy yard.

Senator LANGER. Is that right?

Admiral FISHER. We do not pay compensation for an injury occurring at a ball game.

Senator MEAD. That is right, it must be in line of duty.

Admiral FISHER. Yes, sir; it must be in line of duty.

Senator MEAD. Otherwise, all he gets, if he gets hurt going to a ball game or to the store, he can take off his annual sick leave, 15 days, and when that is exhausted, he is on his own again.

Admiral FISHER. Yes, sir; except that it is a little more generous than that, because we can let him anticipate some of his next year's reserve.

Senator MEAD. And then, of course, he forfeits that. If he is injured in line of duty, he gets compensation and if he is injured while off duty, he is entitled to the sick leave allowance.

Senator LANGER. Is he considered off duty or on duty while on his way to work, and away from work going home?

Admiral FISHER. Those are extremely difficult questions. Yes, generally, it is considered that he is off duty until he actually arrives at work.

Senator LANGER. So, if one of the employees gets up in the morning and goes to work, and on the way to work is hurt, if it is 16 days—see if I get it right—if it should develop that he is off 16 days, 15 days he receives compensation for and for that sixteenth day he does not get paid at all?

Admiral FISHER. He is entitled, without question to the 15 days and, under the circumstances, if they warranted it, he can be granted

advanced sick leave, drawing on the bank, you might say, for his next year's leave.

Senator MEAD. He can take out 1 year in advance.

Admiral FISHER. I think it is 1 year.

Senator MEAD. I am positive that makes a maximum of 30 days.

Senator LANGER. But he pays his own doctor bills.

Admiral FISHER. Not if he is treated by Federal doctors. He has a right to that.

Senator LANGER. Suppose he lives 7, or 8, or 9, or even 10 miles from the navy yard and is rendered unconscious and is taken to a hospital, in that case he pays his own bills?

Admiral FISHER. That is right, and I think you gentlemen might check on that, but I think, under certain conditions he can get reimbursement from the Employees Compensation Commission.

Senator MEAD. That is only when he is hurt on the job.

Admiral FISHER. When it is associated with or in connection with his duty.

Senator MEAD. But if he lived out in Bethesda, and was hurt in Bethesda, and was taken—this is while not in line of duty—was taken to a hospital, any time he took off would be at his own expense, if it was beyond his sick leave, and his hospital bill would be his own?

Admiral FISHER. I think that is correct; is it not?

Mr. PROZET. Yes.

Senator LANGER. One more question: What is the average pay of those men?

Admiral FISHER. It was testified here yesterday that the average per annum salary of our white-collar workers was between eighteen and nineteen hundred dollars per year. The average wages on an average earnings basis of our laborer, helper, and mechanical service, which constitutes the great bulk of of the Navy Department's employees, is \$2,912 per year, and that \$2,912 per year is within \$1 or \$2 of the average basic annual earnings of the shipyards of the country.

Senator LANGER. Go ahead, sir.

Admiral FISHER. May I continue?

Senator MEAD. Yes.

Admiral FISHER. Reverting to the fact that this bill does not increase the salary of our white-collar employees, per annum employees, I wish to bring to the attention of the committee some of the problems and difficulties that are resulting because of that, with the hope that perhaps some means may be found in the near future to correct these difficulties.

I refer to the inspectors, the storemen, the storekeepers, and other persons of that character.

In the case of the inspector, of which we have about 6,000, and expect to increase that number to at least eight or nine thousand, those men have been drawn, necessarily and wisely, from among the mechanics, the skilled mechanics because, in all inspection work, except the simplest kind of counting and fitting into gages, inspection means that the man that is doing the inspection must know all about the job that he is inspecting. And yet, at the present time, when we want a mechanic to do this important inspection work, that has heretofore always been considered a promotion, if he takes the inspector job, he must take a radical cut in pay and, more than that, unless this bill

goes into effect, or some type of overtime privileges are extended, he will lose in addition the overtime pay that he would have earned had he been a mechanic, and the results are most disturbing.

We are finding it more and more difficult to get the necessary number of inspectors, and careful inspection of such articles as torpedoes, bombs, shells, and guns is of paramount importance. We must see to it that all of these articles that go overseas, are in A No. 1 condition, as nearly as possible, and yet we are losing our inspectors.

I may say that during the last 3 weeks, we have been talking to patriotic, but nevertheless complaining, inspectors from all over the country, representing practically every State in the Union, and they bring the same story up, that they have been loyal, they have been patriotic, and they can go into almost any private concern in this country and practically double their earnings because of the fact that private industry pays these men a salary or wages commensurate with their merit, and yet, when we want them to do this inspection work, they have to be transferred into per annum class and that, because of the Classification Act, causes them to suffer this loss in pay.

Senator MEAD. So the effect of it is that an inspector can get more from private industry than he can from the Government, and further, he can get more pay by taking a demotion and stepping down from an inspector to a mechanic, than by keeping his present job.

Admiral FISHER. That is right, and just last week we had a visit from a group that said they represented several hundred inspectors.

They wanted to know what would be the Navy Department's attitude if they all resigned and went back to mechanics' jobs, and one cannot blame them.

Senator LANGER. What is the salary of these inspectors?

Admiral FISHER. It ranges—

Senator MEAD. It is more profitable to remain a mechanic than it is to take a promotion and become an inspector, because an inspector cannot profit by the wage increase which the mechanic has secured throughout the years, nor will he receive time and a half unless he is included in this bill.

Is it difficult to recruit inspectors from, we will say, retired mechanics, or men that could not qualify because of some physical defect, or otherwise?

Admiral FISHER. Mr. Chairman, we have combed the country. We are urging all the retired people that can do any kind of work to come in.

The rule eliminating them by age has been abrogated by the Civil Service Commission, and we are now starting to get people from the front that have been hospitalized and rehabilitated and trained and they are forming a small group that is growing larger, and in addition, we have started special schools in New York and Chicago to train men and women in simple inspection work, working as hard as we can to relieve the situation, but none of that is enough.

Senator LANGER. Could I get an answer to my question, please?

Admiral FISHER. The entrance salary of an associate inspector, CAF-5 is \$2,000 per annum.

Senator LANGER. And then—

Admiral FISHER. Then after that the next grade is CAF-6, which is \$2,300 per annum.

I would like to point out that the annual salary, or the annual earnings on a 48-hour basis, of a helper is \$1,733 and that of a mechanic, that is on a straight basis—is that right?

Mr. PIOZET. Yes.

Admiral FISHER (continuing). Is \$2,500; so we take a machinist who is earning \$2,500 a year, and he gives up \$2,500 a year on that basis simply to become an inspector at \$2,000 or \$2,300. In the old days, before this increase in wages took place, in industry and in the Government service the wages were more evenly distributed, the scale was more evenly laid out, and the Brookhart Act was in line with this classification, and then the initial entrance salary was \$2,000 a year.

The machinist's earnings were \$2,079, so, if we stepped that machinist up to grade 6, an inspector, at \$2,300 a year, that was a promotion of about \$230 a year.

Now, the machinist is earning \$2,500 plus overtime, and the inspector still gets \$2,300, or \$2,000 for the lower grade.

That is just an illustration in one particular set of circumstances of the fact that per annum salaries have not been increased as they should have been.

Senator MEAD. So the inspector should have two beneficial proposals or acts; he should have his basic pay raised to keep in step with the machinist raise, and then he should have this same type of time-and-a-half pay for overtime, which has been prescribed for the machinist.

Admiral FISHER.. That is right.

Senator MEAD. He has nothing, except the temporary measure that was enacted. He comes under Resolution 170 until the 30th of April.

Admiral FISHER. That is correct.

Senator MEAD. So that he gets time and a quarter now.

Admiral FISHER. Time and a half.

Senator MEAD. Yes; that is right.

Senator LANGER. Admiral, you understand—don't get me wrong at all, because I am for the increase in pay, but it occurs to me that in combing the country for help, have you met Mr. Young sitting over there—he says that you can get all your help that you want at the saw-mill, that they only get \$1,300 and \$1,800 a year; you can get all the help you want from people working in the furniture business because their salaries are only \$1,500 and \$1,543 a year.

You can get all the help you want by going to the brick yards because their total salary is only \$1,400 to \$1,463 a year.

You can get all the help you want by going—especially in retail trades—go to any one of the stores. I imagine he means chain stores, because their salary is only \$957 a year—just a second. That is wrong. That retail trade is \$1,144; or, you can go down here to one of the hotels say, the Mayflower or the Willard, and all they pay their average help is \$957 a year; go to a laundry, they are only paying \$1,120; dyeing and cleaning establishments \$1,261 a year—I suggest that you get a copy of this [indicating], and you, when you want inspectors, go and see Mr. Young and have him help you locate some of the help.

Admiral FISHER. I am thoroughly familiar with those figures, sir, and I was speaking of inspectors that necessarily must be drawn from the ranks of skilled mechanics and there are no skilled mechanics in those, or any other occupations that are not getting, roughly speaking,

the standard union wage, or the standard Government wage of \$1.20 per hour.

The other employees who are listed in there, in the lumber industry and that sort of thing, the textile industry and the brickyard industry and in the hotels and in the laundries and dyeing and cleaning establishments, are not mechanically trained, they are not mechanics and, therefore, not suitable for the type of inspectors, or the type of inspection work that we need so badly.

Senator LANGER. Did you not testify that you could not get these because of competition with industries?

Admiral FISHER. I testified that we could not render justice to our inspectors, of the type who require mechanical experience, in competition with industry, which is quite different with the competition with the needlework trade.

Senator LANGER. Who are you in competition with? What businesses? Will you give us a list of them?

Admiral FISHER. Yes, sir; the motor industry, for instance, and the electrical industry—

Senator LANGER. Pardon me. I would like to ask Mr. Young to make a list of those. I want him to get the average price or pay that they are getting in a year, let him get that for us, for the committee.

Now, sir, you said the motor industry? And what else?

Admiral FISHER. The motor industry, the electrical industry, and the shipyard industry.

Senator MEAD. Airplanes.

Admiral FISHER. Yes, sir; aircraft and also the machine tool industry.

And, I testified that a definite comparison I have, is that in the shipyards the average earnings are \$2,912 per annum, which is within a dollar or two, more or less of what we are paying in our navy yards.

Senator LANGER. Mr. Chairman, may I make a motion that Mr. Young be requested to get a chart containing those industries, and the salaries paid therein.

Senator MEAD. That will be the mechanical industries.

May I say for Mr. Young. Senator Langer, he was requested yesterday, to get a table showing the earnings of employees in certain industries, whose total earnings came under the \$1,620 level that we were discussing.

So, in compliance with our request, he secured this information from the Department of Labor, and I believe it is authentic, but of course, these employees in the hotels and so forth, the bell hops and elevator employees and so forth, could not of course be expected to qualify as inspectors in this highly skilled mechanical work that the Admiral is talking about.

These are, for the most part, unskilled, and some of them are residents of rural communities and could not qualify for these mechanical trades.

Senator LANGER. The reason I am interested in this, is this: Some of the newspapers have come out and said that these kind of people whom Mr. Young has cited here, could go out to a farm and work.

Of course, they can go out to a farm and get \$5 or \$6 or \$7 a day, but it is the farmer's contention that they are not any good out on the farm.

Senator MEAD. They have to acquire knowledge and skill of farm work just as in anything else.

Senator LANGER. The same thing is true with what the admiral said.

Senator MEAD. And today the farmer is pretty far advanced in mechanizing his farm.

A good farm hand must be widely experienced and is a difficult man to find right now.

Senator LANGER. It takes quite a good man to drive a tractor out in the Northwest; you can go out there and handle a tractor, if you are a good man, and seed a section of land, and that is quite a job.

Senator MEAD. Not only that, he must know not only how to run a tractor but also repair tractors and all other types of mechanized farm equipment.

Senator LANGER. That is right.

Admiral FISHER. May I suggest, either off the record or on the record, that these statistics are published monthly, quarterly, and annually by the Department of Labor, and they should be available to the clerk of the committee immediately if needed.

Senator MEAD. We want a table of employees and their salaries comparable to the men you are talking about, the inspectors and men in the navy yards and gun factories, and so forth.

Admiral FISHER. One more special problem that will remain after the passage of S. 635, related to the inspector problem, is that of the storekeepers and stockmen.

In our naval supply depots and storehouses, which are scattered all over the country, these men are located and their salaries have not been increased; and yet they have the job of supervising and bossing groups of laborers and helpers to move the packages hither and yon, to issue the stores, and receive the stores, and at present the subordinate workers are getting more money than the bosses, the stockman and the storeman. That has created a bad situation that you will fully appreciate involves a great problem in personnel management, administration, and discipline and—hard feelings.

Senator MEAD. That can only be treated by giving them an increase in their annual wage.

Admiral FISHER. That is the only solution I know of, and that is identical with the previous testimony of the men engaged in such work as the inspectors.

Senator LANGER. What percentage would you recommend there? What percentage of increase?

Admiral FISHER. I would recommend that the salaries in the Brookhart Salary Act be immediately revised and be increased to be effective on the 1st of May 1943, when the temporary legislation terminates, so as to give a suitable increase to our per annum employees comparable to the doctrine of the Economic Stabilization Act, approximately, let us say, 15 percent increase, in addition to all of the provisions in S. 635.

That is a basic rate increase of 15 percent?

Admiral FISHER. Yes, sir.

Senator MEAD. Upon which overtime would therefore be based?

Admiral FISHER. That is correct.

Senator MEAD. A new rate entirely.

Senator LANGER. In addition to overtime?

Senator MEAD. Yes.

You see, these are employees who have not been given a rate increase, and the employees under them have been given a rate increase, and that has thrown the differential out of line.

Senator LANGER. Now, in all fairness to these people you have mentioned, why should not that be retroactive and go back to the same date when these people got their increases? Under S. 107.

Senator MEAD. They got their increases through different legislation enacted by the Military and Naval Affairs Committees.

Senator LANGER. When was that?

Admiral FISHER. I think there was a mistake there; I think there is a misunderstanding, Senator.

The laborer, helper, and mechanical service—those whose wages are adjusted by wage boards, or other similar administrative action, required no law and had no law to get their increase in wages.

It was an annual, periodic review by the administrative head of the department, to bring their wages into conformity with the practice of civilian, private enterprise, and the wages paid in that area by private industry that governed in each individual case.

Senator MEAD. That received its base in the original act, years ago.

Admiral FISHER. The law of 1862 or 1863 formed the basis for that, and it has been working very well since.

Senator MEAD. However, we will not go back that far.

Senator LANGER. Go back to Pearl Harbor, anyway. During this time you say that the help got more than the boss.

Senator MEAD. Yes; for the duration of the emergency.

Senator LANGER. Yes; go back to Pearl Harbor, that would be fair.

Admiral FISHER. That would doubtless be fair, but the complications of doing it, and the possibility of the passage, I venture to doubt. And I feel certain that our loyal white-collar employees would be greatly pleased if they would be given the increase they are entitled to, without any retroactive features.

Senator MEAD. And it would solve your personnel problems along that line?

Admiral FISHER. Yes, sir; it would.

Senator MEAD. I think that is a very good suggestion and it will give the committee something to talk about.

Admiral FISHER. May I give just one or two more illustrations of the difficulties due to the failure to increase the per annum salaries, as compared with the increase in wages earned by the per diem employees?

Senator MEAD. I think, Admiral, we may have difficulty in granting authority to the Civil Service Commission to take care of these inequities for fear that there may be other matters that the Civil Service Commission might take up, and in the case of inspectors, storekeepers, and stockmen, if it should be reduced to an amendment or a specific bill, I think it could proceed with greater progress.

Admiral FISHER. I trust the inspectors and storekeepers can be taken care of, but to make a special case out of any group, instead of a general increase, will produce the same trouble that you gentlemen have been troubled with for the last 2 years.

It should be general to obtain the best, most satisfactory, and durable results, in my opinion.

Senator MEAD. You would meet with resistance in getting a provision to cover a blanket number, whereas, if you specify the case, we could accomplish it.

Admiral FISHER. That authority already exists, as was testified here the other day, in the case of the 60 percent of the 3,000,000 Government employees and has not been questioned by the Congress.

That authority already exists for the schedule of wage employees, so that the extension of that authority to the other remaining 40 percent is not a very great extension at all.

In the case of the Navy Department, the extension is even less because the percentage of these per annum employees in the naval shore establishments is about 12 to 15 percent, and the 88 to 85 percent have already had that authority delegated, not to the Civil Service Commission but to the Secretary of the Navy for the past 40 or 50 years.

Senator MEAD. We might be able to delegate to the Secretary of the Navy the authority, in some measure, but we might have difficulty, or might meet with reverses, in delegating such authority to the Civil Service Commission unless it was a manpower or strictly war measure.

Admiral FISHER. On behalf of the Navy, Senator, I hope therefore that the authority will be delegated to the Secretary of the Navy.

Senator MEAD. As a war measure, I think it might have a chance.

Senator LANGER. Mr. Chairman, the Admiral impresses me as a man who knows what he is talking about and is one of the best witnesses that has been before this committee, to my knowledge.

Admiral, I wonder if you would be willing to draft an amendment to include the white-collar workers such as—

Senator MEAD. The storekeepers, inspectors, and so forth.

Senator LANGER. Yes, who have been discriminated against since Pearl Harbor, and we will see if we cannot get this retroactive.

It does not seem fair to me that these men should not get back pay. They have earned it, and a lot of them may have lost their life insurance policies and things like that, because they could not afford to pay the premiums, due, to the high cost of living today.

Senator MEAD. You had better draft it two ways; one, with a retroactive feature as to the date of Pearl Harbor, and the other to take effect upon the passage of the amendment, because if Senator Langer fails with one, he would probably succeed with the other, and the admiral will be perfectly satisfied if we can straighten out this inequity, as of the future, the immediate future.

Senator LANGER. He said a moment ago that he thought it was right that we should go back, and we want to do what is right, if that is so.

Senator MEAD. Yes; or approximately that.

Go ahead, Admiral.

Admiral FISHER. The examples I have given, are examples, Hence, in drafting such an amendment, in conjunction with others who have suffered from the same fate, to a lesser degree, I would like to draw such an amendment to embrace all the per annum employees.

Senator MEAD. All right; go ahead, but surround your amendment with limitations and restrictions, so that it will not be too widespread.

Admiral FISHER. Just one more example, and that is, our stenographers and typists and clerks in the lower grades, what we call CAF-1, or CAF-2, they are becoming increasingly difficult to obtain.

Senator MEAD. The \$1,440 group, is that it?

Admiral FISHER. I had a letter presented to me this morning from the Navy Yard, Mare Island, which is one of numerous letters from naval stations in which they reported that—if I remember correctly—they were having a loss of 100 per month. Most of these employees are women, and most of them are high school and college graduates and they find, as soon as they enter the Government service, that they can make more money doing common labor in the shops or in the store-rooms, and we lose the value of their technical ability in typing or filing or any of the stenographic or clerical work because they, as well as the young graduates from the technical colleges who are employed at minimum salaries, can, as was pointed out, take a course of training and very shortly acquire mechanical dexterity and then enter private industry and get a lot more money than the \$2,000 per annum that they are making with us.

Senator LANGER. Let me ask this question——

Admiral FISHER. Just a second, sir. May I finish?

Senator LANGER. Yes, go ahead.

Admiral FISHER. The wage structure, compared with the per annum remuneration, is out of balance woefully.

Once it is flexible and can be changed that is a different matter.

Now the wage scale is flexible and can be changed and offers excellent administrative possibilities while the salary scale, fixed by the Brookhart Act, has become our basic problem, in its inflexibility.

Senator LANGER. Where did this hundred go that you say you lost over at Mare Island, to private industry, or to other Government jobs?

Admiral FISHER. The report indicates that a part of them went to other Government jobs, under other Government departments who are not under such strict regulations as the Navy Department operates under.

Most, however, and by far the great majority went to other than Government activity.

Senator LANGER. Now, may I tell you——

Admiral FISHER. I gave that illustration, of that particular case.

Senator LANGER. May I mention the experience we had in North Dakota?

Senator MEAD. Go ahead.

Senator LANGER. There is a banker up there who had a young lady working for him, she had been with him for some 3 years and he had helped finance her education, and make a stenographer out of her, and was paying her \$115 a month which, for Bismarck, N. Dak., he thought was pretty good pay.

When the O. P. A. came along, they went in to see her and offered her an increase in pay. She turned it down and then a week or two later they came back again and they offered her \$135 a month and I understand that they finally got her by giving her \$160 a month.

Now, it happens that that man is chairman in that county of selling War Savings bonds and is out raising money, getting everybody to pay for War bonds, and he had another girl, working there, and as soon as the one girl leaves, this girl is left, at \$115 a month, moving up and she promptly was invited to join the other girl with O. P. A.

In other words, out there in my State, it is the Government, with advertisements such as the one that was described yesterday where the U. S. Employment Agency said that the minimum wage in Washington is \$1,700 a year.

It is that which has caused a lot of stenographers to leave private employment and enter Government employment and I am wondering how long it will take Mr. Young to look up this hundred people at Mare Island, and give us a report on them, as to what became of them, where they went, because I believe it is the other way around.

I believe that it is the other way around. I believe it is the Government that is getting the private employee to go into Government service.

Admiral FISHER. I venture, very politely to differ with you, Senator, if I may, on this basis: Situations such as you described undoubtedly do exist because of the uniformity of the Government wage scale throughout the country; whereas, we all know that there are variations locally in the private employers' wage scales.

Conditions such as you describe, I think, will undoubtedly be found in nonindustrial centers. The great bulk of Federal employees, however, are located in industrial centers, Army and Navy plants, engaged in production for the Maritime Commission and that sort of thing, and they outnumber, I believe, very greatly, O. P. A., W. M. C., or O. P. M. regional officers and directors.

The situation therefore, in San Francisco, Detroit, or Chicago or New York is just the opposite of what you have described of the per annum employees.

Senator MEAD. That is correct. The illustration comes home to me that the aircraft factories at my home cities are taking most of the employees away from the Post Office Department and other governmental departments because they are paying them higher wages so that it is in the industrial centers, as the admiral pointed out, where industry is stealing the employees away from the Government.

Now, perhaps just the reverse situation from Bismarck.

Admiral FISHER. The per annum employee is my worry, of course.

Senator LANGER. Of course, out there, it is all agriculture.

Admiral FISHER. Yes, sir.

Senator MEAD. Go ahead, Admiral.

Admiral FISHER. I have only one thing more to say, and I don't know whether it is quite proper to say it, Mr. Chairman. I have spoken along the general line of my testimony before the Council of Personnel Administration and I believe you have a copy of the notes from which I spoke, Senator.

Senator MEAD. Yes, sir, and it was a very good statement.

Admiral FISHER. I would be very glad to furnish any of you such copies as may be necessary.

Senator MEAD. Would you agree to have it inserted in the record copied into the record here?

Admiral FISHER. I would be very glad indeed, sir.

Senator MEAD. Then, give a copy to the reporter here and he will copy it into the record for the benefit of all the members of the committee.

(The document, Note on Pay of Federal Employees, Revised, by Admiral Fisher, is as follows:)

Senate Joint Resolution 170 regarding pay and overtime of certain Federal per annum employees, etc., was approved by the President December 22, 1942 and is now Public Law 821, Seventy-seventh Congress. Its provisions terminate April 30, 1943. Prior to that date an equitable permanent law should be enacted to meet the pressing problems of the pay of the employees of the executive branch

of the Government (not the legislative nor the judicial branches). Attempts to obtain special laws for the employees of any particular executive department should be resisted.

The following notes are submitted as a basis for drafting such legislation. They are obviously based upon conditions and laws relating to the employees of the Navy Department and will doubtless require modifications to render them suitable for all employees of the executive branch of the Government. With these notes as a basis and accepting whatever changes may be found necessary, it is urged upon all interested parties that a specific presentation of desirable new legislation be worked up by the personnel council without delay in order that the Bureau of the Budget of the various executive departments may have something tangible to present to the new Congress in ample time to have a satisfactory law enacted well in advance of April 30, 1943.

In the first place all of the numerous existing laws affecting the pay and working hours of the executive branch of the Government should be repealed so that a start can be made from a clean slate.

Per annum employees at present have their salaries fixed by law (Brookhart Act). A far greater number of employees have their wages fixed by administrative action from time to time and are therefore variable, following in general wage variations in private industry. This dual condition of legally fixed salaries contrasted with variable wages is wholly unsound and should be abandoned.

In recent years the wages of Navy wage earners have increased sharply while the salaries of their salaried colleagues have remained unchanged because of the Brookhart Act. The normal relationship of the remuneration of salaried employees compared with the wages of wage earners has been greatly and grossly disturbed with the resulting injustices and widespread dissatisfaction.

The civilian employees of the executive branch of the Government should be placed in one of two broad classes:

I. Shop and production employees (laborers—helpers, mechanics, and their supervisors).

II. Office, administrative, and executive employees (grades CAF—CPC—P—SP).

As to class I, all wages should be periodically adjusted to conform to prevailing wages for comparable work in private industry with due regard to the public interest, in accord with the principles of the law of 1862, which has for years been applicable to the wages of civilian wage earners of the Navy Department.

As to class II, heretofore known as salaried employees, the basic principles of the Classification Act and the Brookhart Salary Act should be retained, if for no other reason than because of the improbability that the Congress would be willing to repeal those acts.

That is—

(a) Their remuneration should be the same all over the continental United States.

(b) Their basic remuneration should be based on the job and not the individual, thus retaining the principle of standardized classification.

(c) The salary ranges of the Brookhart Act, prior to its recent amendments should be retained as a floor below which their pay may not be reduced without act of Congress, but such salaries should be transposed into hourly rates.

This means, of course, that such employees, would be paid for the time they work just like the present per-diem employees. This is by far the simplest and fairest arrangement and would place practically all employees on the same footing as to payment for time worked, holiday pay, leave pay, calculation of overtime pay, etc. The resulting simplification of pay-roll accounting would be enormous. This also means, however, that when overtime stops or working hours are reduced the pay checks of these employees would be correspondingly reduced as has always been the case with the per-diem employees.

Periodic reviews of the pay of class II employees should be made on a Nation-wide basis by administrative action with administrative authority to make increases above the floor to conform to economic conditions throughout the country.

Centralized Federal control of such administrative pay changes for both class I and class II employees should be provided by setting up in the United States Civil Service Commission, a permanent division for this purpose. (An alternative might be a committee composed of representatives of the principal executive departments and members of the House and Senate Appropriations

Committees, from House and Senate Civil Service Committees and from the Bureau of the Budget. Such a committee arrangement, however, is not considered as desirable as the recommended assignment of this function to the Civil Service Commission but it has the possible advantage of keeping Congress and Budget in touch with pay variations in salaries.)

The initial review of the pay of what are now known as salaried employees should be made as promptly as possible in order to be just to those who have heretofore been underpaid because of the Brookhart Act, and such pay increases, even if of a tentative nature, should be placed into effect on the first day of May 1943, immediately following the termination of the present act, Public, 821.

Congress has prescribed a minimum wage and overtime condition for employees of private contractors engaged in interstate commerce or on Government contracts.

The corresponding overtime rights of Federal employees are different. There is no valid reason for this difference nor is it just. Federal employees, like such private employees should be allowed overtime after 8 hours in 1 day and after 40 hours in 1 week, except that executive and administrative employees prohibited from receiving overtime pay under the Fair Labor Standards Act and regulations should be matched by corresponding limits on Federal employees. Such Federal employees should be clearly described, preferably on a pay basis rather than on a position basis, to avoid difficulties in interpretation and application of questions relating to overtime pay.

The translation of Brookhart salaries into hourly rates should be on the basis that one day's pay of 8 hours is one two-hundred-and-sixtieth of the present per annum salary rates.

There are many and various methods of remunerating Federal employees—per hour, per diem, per month, per annum, per piece, per mile, etc. Notwithstanding this all employees, as previously stated, should be placed in one of the two broad classes:

Class I (shop and production employees) or class II (office, administrative, and executive employees).

Decisions as to which of these two classes any given group of employees should be assigned should be made by the Civil Service Commission, and after such original decisions have been made no self-advantaging reversions to the other class should be permitted, unless widely prevalent changes in private industry take place which would make such reversions conform to Nation-wide practice.

The Civil Service Commission should also be authorized in making administrative pay adjustments above the base or floor of the Brookhart Act to which—to make special cases of subgroups within the authorized classification grades of the Classification Act which grades are CAF—CPC—P—SP.

Illustration: CAF inspectors of material may need special pay treatment as contrasted with other CAF employees engaged on purely clerical work.

(Section 4 of S. 2913 might be useful in this connection as its language would give the Civil Service Commission authority to make certain adjustments within the Brookhart pay ranges when the Commission finds gross inequities to exist between them and the pay of shop or production employees.)

In calculating when overtime pay should begin, that is after 8 hours in any 1 day or after 40 hours in any 1 week, the calculations should be based on the hours actually worked. Days or hours not worked due to absence, holidays, leave, etc., should not be counted as days worked.

Section 23 of the Independent Office Appropriation Act of March 28, 1934, providing that the weekly compensation of schedule of wage employees shall not be reduced below that existing on June 1, 1932, should be repealed.

Section 23 of the Independent Offices Appropriation Act of March 28, 1934, providing that the weekly compensation of schedule of wage employees shall not be reduced below that existing on June 1, 1932, should be repealed.

The Saturday half-holiday law should be repealed.

The 8-hour law for Federal employees should be repealed.

Provision should be made that the basic workweek shall be 40 hours for all workers.

The President, by Executive order, should be authorized to increase or decrease weekly working hours as necessary.

There should be a provision that time and a half will be paid for all work performed on holidays, and for straight time to be paid to those employees who are not required to work on holidays. The particular holidays should be listed in the bill.

The personnel council or the Bureau of the Budget should prepare a tabulation or chart showing the present methods of establishing and adjusting the pay of the employees in each department and agency of the executive branch of the Government. Such a chart will facilitate examination of the legal and other conditions applicable to each department and agency will have to be reconciled in the proposed bill.

In the case of the Navy Department, for example, a brief statement of the content of the law of 1862 should be made showing that the wages of per diem employees should conform as nearly as practicable in the public interest to the wages paid by private contractors in the vicinity of comparable work.

Such a chart will reveal the nature and scope of the problem that confronts us. In making the initial revision of the pay of class II (office, administrative, and executive employees) consideration should be given to the formula of the War Labor Board, namely that justification exists for increasing such rates by percentages not to exceed those used in the *Little Steel case* (about 15 to 20 percent I believe).

The Little Steel increase was based on the increase in the cost of living between January 1, 1941, and August 1, 1942.

In this connection, consideration also must be given to the Economic Stabilization Act of October 2, 1942, freezing all wages as of September 15, 1942, unless an increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war.

In the case of the present schedule of wage employees of the Navy Department several wage increases have been made during the past 2 years so that the necessity for any further increase at this time is doubtful.

An early understanding among the executive departments in the Bureau of the Budget should be reached on this pay increase question because it is the one upon which immediate attention will be focused.

Senator LANGER. May I ask another question—I am very ignorant about the situation, about these matters, and don't pretend to know anything about them. I am trying to find out.

Is there any uniformity, or any centralized agency anywhere in the United States—or the Government here, whereby the salary of a stenographer in the navy yard or the Army or the O. P. A. or the War Production Board, or Congressional Library, would be the same?

Senator MEAD. Would be classified, would be unified?

Senator LANGER. Yes, would be unified, that is what I am trying to get at.

Or, are they all bidding against each other?

Admiral FISHER. Office employees in the classified service of the Federal Government are fixed by Congress in accordance with the Brookhart Salary Act from which no variation is permitted.

Some of the recently established Government agencies, I believe, but I am not absolutely certain of this, have been authorized to employ persons without regard to that, but very few of them, so that there is this Brookhart Salary Act, and the classification act which prescribes by law, not by an central executive agencies, the character of work and the corresponding salary, and until that salary act is changed, there is nothing that the Secretary of the Navy or anybody else in the executive department can do about it, although they have very great discretion in changing the wages of the schedule of wage employees.

Senator MEAD. That uniformity holds true for the old established agencies and the newly established agencies, with the exception of the emergency agencies only, from the information I have received, and I understand that the newer agencies have set up qualifications for certain jobs, and they are prescribed under the law, and then, there are these strictly emergency agencies which perhaps are causing a great bit of the trouble.

Senator LANGER. O. P. A. can pay a stenographer \$200 a month and tak her away from any other agency, then?

Senator MEAD. \$200 a month?

All they could then do is to take a stenographer and qualify her as a stenographer or assistant secretary and give her a higher classification.

Senator LANGER. And that would not come about with what you would call the old-line agencies or commissions.

Senator MEAD. That is right. There is uniformity. As Admiral Fisher has said, the old line and recently established personnel—permanent agencies, are restricted, but I do not believe that holds true for these new emergency agencies, is that not true, Admiral?

Admiral FISHER. I think that is right.

Senator MEAD. Do you have anything further, Admiral?

Admiral FISHER. I would just like to express the hope that the Congress and the administration can address itself to this problem of doing away with the complicated mass of laws that have grown up during the past generation or two, applying to the working conditions and remuneration of the Federal employees and wipe the slate clean and start fresh in the light of modern conditions, and modern administration and personnel practices and remuneration and write a simple uniform just and flexible law.

That is all I have to say. Thank you.

Senator LANGER. And would that include in your opinion, the new agencies like O. P. A. and the War Production Board?

Can you do it unless you include them all?

Admiral FISHER. I think they ought all to be covered, all ought to be subject to its terms—the terms of this new legislation, the emergency, the old line, the temporary, or whatnot, but the new law should have sufficient flexibility, particularly in times of emergency, so as to see that the Government service is properly manned.

Senator MEAD. That would be a major task for this committee to assume, when the passage of S. 635 becomes a reality, that would be a long-range program.

Admiral FISHER. I trust that nothing I have said can be construed as objecting to the passage of S. 635. Whether my hopes can be realized concomitantly with the passage of S. 635 or must be delayed for a later date, is a matter for the judgment of you gentlemen, but the sooner the better.

Senator MEAD. We will try to enact S. 635 and eliminate as many inequities as possible, but those that are left should be the responsibility of this committee for the future.

Senator LANGER. How long have you lived here in Washington?

Admiral FISHER. That is rather hard to answer. Just as a matter of personal history, I was brought up here as a boy, until I entered the Naval Academy and since then I have had two short tours of duty, until my present tour, and I have here now slightly over 7 years.

Senator LANGER. Off the record.

(Discussion off the record.)

Senator MEAD. If it is agreeable to the Admiral, I would like to keep my word to Mr. Kushnik, in that he could put on his testimony this morning.

Admiral, we appreciate very much your statement, and the expression of your views, and as I say, we will do what we can to work out the complexities of this situation.

Admiral FISHER. Thank you very much.

Senator LANGER. Thank you, Admiral, very much.

Senator MEAD. Mr. Kushnick represents the War Department in the same capacity that Admiral Fisher represents the Navy Department.

STATEMENT OF WILLIAM H. KUSHNICK, DIRECTOR CIVILIAN PERSONNEL AND TRAINING, WAR DEPARTMENT

Mr. KUSHNICK. Mr. Chairman, may I say at the very beginning that everything that Admiral Fisher has said has our full accord, and therefore these prepared statements which I have here, I can run over rather hastily, because they are, in a sense, exactly the same expressions that Admiral Fisher has set forth, and include a larger coverage.

The War Department favors the enactment of S. 635 with certain modifications which I will mention later, but which have not yet been cleared by the Bureau of the Budget.

The War Department civilian employment includes almost every category of occupation familiar to private industry as well as many specially necessary for servicing the Army. More than 60 percent of our present civilian strength are in trades and crafts whose wages are fixed by wages boards which for purposes of this discussion, simply means that (1) their basic wages are determined in separate geographical areas and are comparable to those paid in private industry in that area, and (2) that they are paid for all overtime in excess of 40 hours on a full time and one-half basis. S. 635 does not in any way affect them, except as will later be suggested.

The remaining 40 percent of our total employment are paid on a per annum basis by schedules established in the Classification Act. Prior to the passage of Public Law 821, special legislation existed in Public Law 873 and 100 which enabled the War Department to pay overtime to about 50 percent of the per annum group. The War Department established a minimum 48-hour workweek for all its employees in January 1942.

Even though those who were not then entitled to overtime compensation represented only about one-fifth of our total force, many of these were working under the same roof and frequently right along side of those who were paid overtime. You gentlemen can well understand the difficulty involved in such situations. Therefore, the War Department on previous occasions before this committee sponsored legislation which would erase these inequalities as between per annum workers.

Our position is the same today. Sound personnel administration requires uniform salary administration. Public Law 821 brought the War Department closer to a uniform basis for overtime pay than had existed previously. We favor the new bill because it goes a few steps further toward uniformity for the War Department.

The establishment of a one two-hundred-and-sixtieth overtime pay basis for per annum workers would bring all of our employees to an

equal basis of overtime compensation. At the same time it would slightly offset the present differential we think exists between pay standards under the Classification Act and higher pay standards in private industry. Moreover we would suggest that studies be initiated toward improving the present pay schedules for the classified per annum employees.

We favor too the elimination of the \$5,000 ceiling. Salaries in the upper levels are for highly technical occupations and for key leadership positions. Industry in comparable positions pays very much more, and therefore the War Department finds it difficult to recruit men and women who have these high technical and management skills. We recognize that the overtime pay will adjust that differential only slightly, but in our need for high caliber executives every little bit helps to attract them into Government service. Moreover, it should be recalled that many of these same employees were receiving overtime compensation prior to the present Public Law 821.

The War Department also favors the amendment submitted by Commissioner Flemming yesterday to enable the Commission to recruit above the minimum rate of the grade. It has already been stressed that recruiting difficulties and turn-over problems stem from too low basic compensation for Government work when compared with what private industry pays for similar jobs. That amendment would enable the Commission to make satisfactory adjustments.

There are only a relatively small number of employees in the War Department who are part time, intermittent, or irregular. Their earnings average below \$1,800 per year. Since the present bill granted them a 10 percent increase, in recognition of the higher cost of living, the increase to 15 percent in the pending bill appears to us to be consistent with what is being done for all others.

We would suggest also that in view of a recent Comptroller General's decision that the bill be modified so as to permit certain wage board employees whose pay is on a per monthly or per annum basis to be included in this new bill. It seems that if special mention is not made of that group in the new bill, they would technically not be entitled to any overtime compensation. We would also suggest that this provision be included in the bill under consideration. An identical statement was made in Executive Order 9289 which followed Public Law 821.

SEC. 4. Federal civilian employees on vessels operated by the United States whose wages and allowances are computed on the basis of special hours and conditions of their work, may be compensated in accordance with the wage practices of the maritime industry.

The War Department feels that its employees have been loyal and conscientious to duty regardless of the past or present inequities. There is no concerted demand by them for special consideration. However, alert management must be conscious of the factors which retard its effectiveness, and inequalities in compensation can certainly complicate and retard efforts at efficient management. Hence, the War Department urges your favorable consideration of S. 635 because it makes for greater uniformity in treatment for all of its civilian employees.

Senator MEAD. Now, Mr. Kushnick, have you any difficult isolated problems such as the Admiral explained?

Mr. KUSHNICK. We have the identical problems, although ours are more extensive because of the larger size of our organization, and when we talk about inspectors, Admiral Fisher has said exactly the same thing that we would say for the War Department for the inspectors in our various depots.

Senator MEAD. Have you the same problem as regards mechanics, and getting men for inspectors, that the Navy is suffering from?

Mr. KUSHNICK. Yes, sir. Sixty percent of our employees have their wages set geographically by wage boards and set by the level of wages paid in the private industries that operate in the same areas where our establishments are located and therefore the wages of this group of our employees are normally tending to spiral with economic conditions.

The basic wages of the other 40 percent of our personnel are fixed by the Classification Act and those per annum workers have not had basic-wage increases for a good number of years, as the Admiral has explained. The wages of those employees who are governed by the wage board tend to get beyond the salaries fixed by the Classification Act where their occupations are interrelated.

The CHAIRMAN. Everything he has said, that is, Admiral Fisher, is applicable to the War Department, except that it affects a greater number?

Mr. KUSHNICK. That is right, and probably in many more occupations than he has pointed out.

Senator MEAD. How about the storekeepers?

Mr. KUSHNICK. We have exactly the same situation in our depots as well.

Senator MEAD. As the result of this mechanized warfare I suppose you have a greater number of Army depots located around the country and a larger personnel?

Mr. KUSHNICK. Yes, indeed; we do.

Senator MEAD. Your personnel is much larger than it was in the last war, particularly because of the nature of the equipment used in this war, would you say? I am talking about civilians.

Mr. KUSHNICK. Larger in this war than in the last war because we are not only supplying the needs of our own Army, but the needs of our allies as well. In the last war our allies supplied our men with most of their war supplies, whereas, now, we are the arsenal of democracy and are supplying our men as well as the armies of the Allies.

There is also this statement that can be made. Many of our civilian activities have probably increased by virtue of the kind of war this is. Take the Air Force alone, employing as they do now, better than 250,000 civilians, and we relatively had no Air Force in the last war. I cannot quote the number of planes we actually serviced in the last war, but you gentlemen can readily appreciate the difference in the use of air power in the two wars.

Senator MEAD. You have 250,000 civilians employed in the Air Force alone?

Mr. KUSHNICK. Yes, sir. Pretty close to 85 percent of them are in our air depots, overhauling, repairing, and maintaining aircraft and engines. The balance are in work involving design, testing, and procurement of airplanes.

Senator MEAD. Do you find this system whereby you adjust salaries by areas or zones is a satisfactory one and one that does not cause trouble?

Mr. KUSHNICK. It is a highly satisfactory system.

I think that probably the solution to our problem of equitable wage administration lies in an understanding of the necessity for some geographical variation in pay for the classified service.

Senator MEAD. Now, if there were a geographical determination so far as the classified services are concerned, you would want that limited to the military services, would you, or would you extend that beyond the military services?

Mr. KUSHNICK. I think it should be extended for the entire Federal agencies.

Senator MEAD. So that there would be no competition between agencies?

Mr. KUSHNICK. That is correct. In other words, to meet the problem that the Admiral discussed with Senator Langer, in Bismarck, N. Dak., as an example, the rate of pay should not be as high there as it should be in Washington, D. C., because of the higher cost of living here and other conditions which may warrant a higher salary for the same occupation in two different areas. That wage differential is applied to 60 percent of our industrial workers now on the War Department pay roll who are mostly in the crafts and trades. Our total problem of personnel management gets back to the lack of complete uniformity that exists in applying not only basic compensation but in applying the overtime pay. You recognize that prior to the present bill, 821, we had a number of very illogical inconsistencies and inequities that we definitely could not explain. Not that we ever had a concerted demand on the part of our very loyal civilians for the correction of these inequities but rather the requests came from management that to build up morale and build up an efficient organization, those inequities had to be eliminated as much as possible. It is that thought that has impelled the War Department on this and other occasions to ask pay matters be considered in the interest of uniformity.

Senator MEAD. I must ask you a few questions with reference to the bill itself.

Are you in favor of the change from the 360 divisor to the 260 divisor?

Mr. KUSHNICK. Yes, sir; we are. For the same general reasons again; and that is that 60 percent of our employees today have their overtime basis computed on that method.

Senator MEAD. One-two hundred and sixtieth rather than one-three hundred and sixtieth?

Mr. KUSHNICK. Yes, sir.

Senator MEAD. There was a suggestion that certain civil-service employees, when they work overtime have their overtime based on a 260-day work year, and when they are off, on sick leave or vacation, have their time off based on a 360-day work year. Is that true in the 60 percent of your employees that are now on a 260-day work year?

Mr. KUSHNICK. Sixty percent of our employees when they do not work beyond 40 hours a week get no overtime, although all of our employees have been on a 48-hour schedule since January 1942.

Senator MEAD. The 60 percent?

Mr. KUSHNICK. Those are wage board people, or scale of wage, as they are called in the Navy.

Senator MEAD. They get no overtime?

Mr. KUSHNICK. They only get it when they work beyond 40 hours a week or 8 hours a day.

Senator MEAD. And when they are not working, they are deducted for the full time they are off?

Mr. KUSHNICK. That is correct.

Senator MEAD. The same yardstick governs the time off as governs their time on?

Mr. KUSHNICK. That is correct.

Senator MEAD. Now, then, there is another matter that is very vital and that is the application of the 15 percent increase. Should that apply only to the first \$2,900 of the salary, or should it apply to all of the salary? What is your idea about that? The bill recommends the first \$2,900 here.

Mr. KUSHNICK. If you are raising wages on the basis of increased cost of living, you should raise those wages on the basic pay and the raises should apply from the bottom to the top of the scale.

Senator MEAD. Well, in view of the fact that we have limited the increase to 15 percent of \$2,900, do you think that that will result in any discrepancies or discriminations?

Mr. KUSHNICK. The 15 percent—excuse me, sir, but the 15 percent you are referring to, is that applicable only to the intermittent or part-time employees, or regularly employed men that are now provided for in 635?

Senator MEAD. I am referring to the participation in raises for employees receiving over \$2,900 except that portion of their pay which is less than \$2,900; for in here on page 2 we say—"provided that no overtime compensation shall be paid to any officer or employee whose basic rate of compensation is in excess of \$2,900 per annum," of course, thus limiting the overtime payment to that \$2,900.

Now, in the resolution which now is the law we said, and proceeded further, "In no case shall the pay of an employee receiving \$5,000 or in excess of \$5,000 be increased in any degree."

Mr. KUSHNICK. I understand now, sir. We are recommending the elimination of the \$5,000 ceiling. It is our opinion that with the difficulty of recruiting men in these higher grades who are for the most part filling very technical positions and high supervisory positions, because private industry is compensating very much more for those same kind of occupations than the Federal Government is willing to pay—that the difficulty is such that eliminating the \$5,000 ceiling would be at least a partial inducement toward attracting people having these technical and management skills.

Senator MEAD. Again on page 3, so it applies to both the time and a half earnings and the 15 percent earnings, it is repeated, and you would of course recommend the elimination of that ceiling also?

It says here, on page 3 [reading]:

* * * shall be paid additional compensation in lieu of the overtime * * * authorized by section 2 of this act, amounting to 15 percent of their base compensation."

and then it goes on to say that it shall not be in excess of the rate of \$2,900 per annum. You would eliminate that ceiling?

Mr. KUSHNICK. May I say that I wanted to be clear as to what you are referring to there, sir, before answering?

For all practical purposes, sir, in the War Department the average is probably well under the \$2,900. I think it would be a rare occasion

where these people that were involved or would be involved in the 15 percent group are making better than \$2,900. For all practical purposes it would make no difference whether you raised the ceiling with respect to them or not.

Senator MEAD. But you would favor the elimination of that as being in harmony with the intention to stimulate employment or retain employment, would you not?

Mr. KUSHNICK. Yes, indeed, sir.

Senator MEAD. Are there any questions, Senator?

Senator LANGER. Off the record, please.

(Discussion was had outside the record.)

STATEMENT OF JOHN A. McMAHON, FIRST VICE PRESIDENT, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Senator MEAD. I have a statement here that has been handed to me by Mr. John A. McMahon, representing the National Association of Postal Supervisors, which I will ask the reporter to insert in the record at this point.

Mr. McMahon, knowing how pushed we are for time, has kindly consented to have this inserted in the record, in lieu of taking the time of the committee today.

(The statement referred to is as follows:)

My name is John A. McMahon of Boston, Mass., and I represent the National Association of Postal Supervisors in the position of first vice president.

The group I represent gives its endorsement to S. 635 introduced by Senator James M. Mead, and now before this committee. This bill covers the situation involving the payment of overtime to the per annum officers and employees of the Government, except those in the postal field service, and provides for 15 percent additional compensation to those whose compensation is based upon other than a time period basis, or whose hours of duty are intermittent, irregular, or less than full time.

We recommend that provisions be made to include in this bill the officers and employees in the field service of the Post Office Department.

However, this association protests the restrictive ceilings of \$2,900 that are included in sections 2 and 3 of the bill, for we believe there is no justification for such restriction.

In the Postal Service, it is only after long years of service that a few officials attain salary grades above \$2,900, and it might interest the members of the committee to know that in all the post offices in the United States, and there are over 43,000 of them, there is not one assistant postmaster or any other postal supervisor who receives a salary of \$5,000 per annum.

Therefore, in justice to the small number of postal supervisors who, after making the Service their life's work, have reached positions with annual salaries of \$2,900 up to \$4,900 (and there are only two in this latter grade), we protest the un-American principle of applying a ceiling, which indicates to an executive that he is worth a certain salary on 5 days in the week but on the sixth day he is worth much less.

We sincerely request that all restrictive ceilings be eliminated and the bill amended to include officers and employees in the field service of the Post Office Department.

We thank you for this opportunity you have afforded us to present our views.

Senator MEAD. Thank you very much, gentlemen, for attending this morning.

The committee will adjourn now, and we will meet again on Tuesday morning at 10 o'clock to hear the representatives of the employees.

(Whereupon, at 1 p. m., the committee adjourned until 10 a. m., Tuesday, March 2, 1943.)

OVERTIME COMPENSATION TO GOVERNMENT EMPLOYEES

TUESDAY, MARCH 2, 1943

UNITED STATES SENATE.
SUBCOMMITTEE OF THE COMMITTEE ON CIVIL SERVICE.
Washington, D. C.

The subcommittee met pursuant to adjournment, at 10:10 a. m., in room 249, Senate Office Building, Senator James M. Mead (chairman) presiding.

Present: Senators Mead (chairman), Burton, Scrugham, and Langer.

Senator MEAD. The hearing will please be in order.

I might say that we are hopeful that we may be able to terminate the hearings at the end of this morning's session.

This committee has been diligently studying this subject on and off for a 6-month period. We have already reported two bills and a resolution, and they are more or less identical with the bill we have before us. I am sure that we now know everything that is in the bill, and I trust that the witnesses will try to be as brief as possible and have in mind that they have already filled a fairly substantial record, and that as soon as the hearings are over the committee will be able to go into executive session and make some progress in the matter of reporting the bill.

We will begin by hearing from Mr. Luther C. Steward, president, National Federation of Federal Employees.

STATEMENT OF LUTHER C. STEWARD, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. STEWARD. Mr. Chairman, Senators, S. 635 which you have under consideration is clearly designed to improve a situation in the Federal personnel field that requires prompt action, as has already been set forth in detail by previous witnesses before this committee. Not only do the millions of employees who are in private employ, but paid nevertheless by or from the Treasury of the United States, engaged in the production of war matériel come within this field, but by the more recent action of the Director of Economic Stabilization, a great many other employees outside of the Federal service have been brought in that category of 40 hours as a basic workweek with actual time and a half for all work performed in excess of that. Some 40 percent of the civilian employees of the Federal Government, for the most part, participated in no form of overtime compensation prior to the temporary legislation covering a limited group in 1940 and 1941. They were included in Public, 821 which expires

by limitation on April 30 of this year. They do not, however, receive overtime on a parity basis with these other large groups. Sixty percent of the civilian employees in the Federal Government have their pay adjusted by wage boards and by existing law which has been in effect for many years as to the increases both in basic pay and the maintenance of the standard overtime rate of pay and the standard rate of time and a half covers them. The Little Steel formula permitting 15 percent increase in basic pay since 1941 has not in any way applied to this 40 percent of civilian personnel in that they have not for many years received any adjustment in their basic pay; so that any talk—and there has been considerable loose talk and considerable publicity largely laboring under the misapprehension that the pending legislative proposal would put the group within its coverage in some favorable position. On the contrary, it is merely a more or less belated attempt to bring them up to approximate parity with those who have already enjoyed better conditions and are enjoying better conditions at the present time.

This present bill is an improvement on Public, 821, in that it provides for actual time and a half based on the actual workweek. The very harsh ceiling limitation in Public, 821, has been slightly relieved—not sufficiently, however, in our judgment. The present limitation is overtime on \$2,900 only of salary. This deprives those in key positions throughout the executive branch of the Government of any opportunity to be placed on an equality with those in private employment who are in great demand at the present time, and although this group, which is very adversely affected by a rising cost of living, as they are—because their financial commitments are such that they are less easily and rapidly adjusted than are employees in other economic levels. They are also in such demand that their patriotism or some form of persuasion is the only thing that keeps them in their jobs. It is even contemplated that they should be frozen in their jobs, which would put them in an adverse situation in comparison with those of equal skills who are in such great demand in private employment.

We urge that overtime be authorized in the pending bill to at least \$5,000 of the salary received.

The amendments that have been offered by the representatives of the Civil Service Commission and the Bureau of the Budget are designed to care for a limited group who receive no benefits from Public, 821, amongst others, certain employees of the Naval Academy, certain employees of the Marine Base at San Diego, a limited number of customs storekeepers, the nature of whose employment is such that it does not lend itself to payment of overtime compensation. The amendments will provide that upon a showing of the appropriate agency or departmental head approved by the Civil Service Commission, employees in these categories—and they number only some few hundred in all—may receive the alternative benefit proposed in this bill, that of 15 percent, raised from the present 10 percent in Public, 821.

The amendment which will authorize an adjustment of certain employees paid at an annual rate who come into immediate contact with employees whose pay is fixed by a wage board is a very important amendment, because it affects a bottleneck, the reduction of which is very important in our present war effort.

As was explained in detail by Admiral Fisher, in order to promote the mechanic—and that is the source of supply for inspectors in the naval service—it is necessary to inflict an actual loss in pay upon these mechanics when they are promoted to inspectorships, to storekeepers, and stockmen who have under their supervision laborers and helpers, and they receive less than those subordinate employees. That, of course, is such a topsy-turvy condition that it cannot be tolerated if we are to have anything approaching efficiency.

Something has been said both before this committee and a subcommittee of the House Civil Service Committee, by various witnesses, and by various members of the committees regarding action on basic compensation study and overhauling of the Federal compensation structure. That is very much needed. It should no longer be neglected. But in view of the fact that we have a time schedule—the present temporary overtime legislation expires on April 30—we must be realistic. We must appreciate the fact that if this whole general subject of basic pay, of Federal civilian employees is opened up in connection with this matter it will cause delay. It will involve other issues; it will very possibly arouse certain antagonisms and the partial alleviation of the existing situation which will be obtained by a prompt enactment of S. 635, will be lost in trying to carry too much in one bill. We, therefore, urge that simplicity and speed attend the efforts of this committee to secure immediate action on this, not as a general panacea but simply a cure for a very necessary existing evil in the interest not only in the efficient operation of Government in our present war effort, but also to get a better, more effective distribution of manpower in connection with the same matter.

That is all I have to say.

Senator MEAD. Thank you very much.

Senator BURTON. One suggestion has been made that it would be simpler at least, and would aid if you followed a plan similar to that followed in the last war of a flat increase and dropped the whole overtime program. What is your comment on that?

Mr. STEWARD. My comment on that, Senator, regardless of the merits of the proposition, if we were starting over again, is that that would be simple. But we have some conditions that however much may be said for or against them are hardly likely to be disturbed during the war. That is the national policy in respect to the 40-hour week, and the work performed in excess of that. To attempt to readjust that whole structure of pay and overtime, now the standard for millions of employees and for the vast majority of Federal employees, by making some different adjustments for the comparatively small group that is below that standard, it seems to me, is not only impracticable but still keeps the thing out of line and inconsistent.

Senator BURTON. That is, you feel that in spite of the complexities and the difficulties of it we have reached a stage now where it would not be feasible to have a flat bonus given to everybody and drop the overtime.

Mr. STEWARD. No, sir.

Senator BURTON. But if we came to a later readjustment of the general Federal structure of pay—

Mr. STEWARD (interposing). That is something that can be considered at that time.

Senator BURTON. The overtime feature for monthly and annual employees wouldn't necessarily be a beneficial part of the permanent structure.

Mr. STEWARD. It should be but we are in a peculiar situation now. Punitive overtime was never intended, generally speaking, as a means of increasing earnings, but now we are confronted with a group of 40 percent of the civilian employees of the Federal Government who have had no adjustment in their base pay and are not receiving the standard overtime. With the shortage of manpower, overtime pay will add to their earnings. It doesn't touch base pay. There will come a time, and we will all be glad when that time arrives, when working overtime will be in the case only of actual emergencies and the punitive rate should be applied. But that again will not add anything substantial to the basic pay and the whole question of basic pay should come up as a separate issue; it should be undertaken right now but not tied up with this.

Senator BURTON. So that under normal operations, from your wide experience in this field, for monthly and annual employees adjustments should be made in their salaries rather than attempt to carry on permanently an overtime basis applied to them.

Mr. STEWARD. I would carry on the overtime principle but in normal times that wouldn't mean any particular addition to the earnings.

Senator BURTON. One other thing. When converting this monthly and annual pay into an hourly pay, it is suggested in this form of the bill that it be on the basis of 260 days a year. There are arguments both for and against it. But without going into that for the moment, you would be clear, would you not, in your analysis of it that if that is adopted then the deductions from pay that would result from absenteeism would be on a corresponding basis of one two-hundred-and-sixtieth which would be deducted.

Mr. STEWARD. For unauthorized absences, yes, sir. Of course, in the case of authorized absences the person would be in pay status and would not be affected, but any unauthorized absence should be deducted in the same way, sir.

Senator BURTON. Previously, when we dealt with monthly and annual employees and there were absences, it would have been on the basis of one three-hundred-and-sixtieth.

Mr. STEWARD. Yes, sir.

Senator BURTON. And that was regarded as a normal deduction of that pay and a normal division of that pay?

Mr. STEWARD. Yes, sir; twelve 30-day months.

Senator BURTON. And there was no overtime?

Mr. STEWARD. Yes, sir.

Senator BURTON. The pay was really based on that basis. Do you think it is accurate to convert that into an annual 260-day basis?

Mr. STEWARD. That represents actual working time of 2,080 hours or 260 8-hour days; it all gets around to the same thing.

Senator BURTON. But, of course, in the first instance the pay was set on the idea of not being on an hourly basis, but it was based on the idea that he be there throughout the month and if he missed an hour or two, why, it was forgotten and it wasn't really an hourly pay; but this conversion on the 260-day basis for the first time converts it into an hourly pay basis.

Mr. STEWARD. True enough, sir. But this is an instance where general conditions, standard conditions, and the national labor policy puts this minority of Federal civilian employees clear out of line, and it would seem in view of the present highly competitive situation, the shortage of manpower, that they should be brought into line before any attempt is made to overhaul the entire structure or to readjust the philosophy on which certain things are set up and maintained at the present time.

Senator BURTON. If you convert the monthly pay into a 40-hour week and divide up the thing into hours, do you think we should then carry that to the extent that if a person is late a half hour on a time clock or an hour that they should have deductions on that, and convert it on a straight hourly basis?

Mr. STEWARD. I think there would be a great many bookkeeping difficulties. At the present time, there are provisions where tardiness entails charging the employee annual leave in excess of the time he is late.

Senator BURTON. Suppose that a man who is on a straight hourly basis is out an hour or 2 hours, or is late an hour or 2 hours, he loses that hour or those 2 hours, doesn't he?

Mr. STEWARD. Yes.

Senator BURTON. But that will not apply to these monthly employees.

Mr. STEWARD. They already have that charged to their annual leave, and to introduce other elements would simply involve additional, and in my judgment unnecessary, bookkeeping without accomplishing anything.

Senator BURTON. It is your hope that after the war we will, perhaps, revert to the basis of a normal annual or monthly pay without an hourly overtime treatment?

Mr. STEWARD. I think, Senator, that we should always maintain the principle of punitive overtime. It is a necessary corrective even in normal times. To give one illustration of that, there are many administrators, many supervisors who unintentionally work employees overtime by not getting around to signing the mail until late hours of the evening. If it were brought sharply to their attention that their own carelessness entailed long, extra work of employees, and it had to be paid for by the Government, they would correct their bad habits. That is probably one of the very outstanding evils which, if there is no penalty, falls on the employees, not on the administrators. There are annual emergencies—we are in one right now. The employees of the Bureau of Internal Revenue have a tremendous peak load at certain times of the year. There is no reason why that shouldn't always have been compensated for because it is an actual emergency overtime. But for the run-of-the-mine employee, he shouldn't have much overtime, and it shouldn't be reflected very much in his pay envelope. The question of his earnings, then, would be taken care of in 99 percent of all the instances, I believe, by the adjustment of basic pay.

Senator BURTON. The rates in the percentages, I take it, that are involved in this bill meet with your approval—from what you said?

Mr. STEWARD. Yes, sir; they provide a leveling off with those much larger groups where such practices and such computations are now standard.

Senator MEAD. Thank you very much, Mr. Steward.

We understand that Mr. James H. Cook has something he would like to submit for the record. We are encouraging submissions for the record this morning, Mr. Cook.

STATEMENT OF JAMES H. COOK, NATIONAL CUSTOMS SERVICE

Mr. Cook. In keeping with the wishes of the chairman that witnesses be brief, I ask permission that the statement of George L. Connell, president, National Customs Service Association, be placed in the record in support of the fundamental purposes of Senate 635, and suggesting the adoption of certain amendments.

Senator MEAD. Thank you, Mr. Cook; it will be inserted into the record.

(Pursuant to the direction of the chairman, the statement follows:)

Our organization is composed of civil-service employees in the Customs Service of the United States. They are men and women who have been and are making a career of Government service—the permanent staff of the Federal structure. For the permanent civil staff there are no high-salaried war jobs. War brings more exacting responsibilities and more difficult living conditions for the Government employees. Necessarily we look to Congress for a fair adjustment of our salaries to meet the increasing burden of a wartime economy. In the past we have had every reason to be grateful for the interest and sympathy displayed by the National Legislature toward our problems and it is therefore with justified confidence that we address ourselves to you in support of the fundamental purposes of S. 635.

There is no need to elaborate upon the urgent necessity of the pay adjustment provided in the bill and for that reason we shall content ourselves with pointing out some respects in which we respectfully submit, it could be improved by amendment.

On line 23, page 2, after the comma following the word "basis," we recommend that the following be inserted: "or whose workweek is administratively fixed at 40 hours or less."

In the Customs Service we have a group of employees who act as storekeepers in bonded warehouses. Their salaries are reimbursed to the Government by the private interests operating the warehouses to which they are assigned. By mutual agreement these warehouses usually keep open 8 hours per day and 5 days per week, remaining closed on Saturday. Prior to the passage of Senate Joint Resolution 170 it was the practice to require these storekeepers to report for duty in the customhouse on Saturday mornings and put in a half day's work there. With the passage of the joint resolution this practice was discontinued and the workweek of the storekeepers fixed at 40 hours. We feel that had Congress contemplated a situation wherein regular full-time employees would be employed no more than 40 hours per week, provision would have been made for the application to them of the flat percentage increase in lieu of overtime. We strongly urge upon the subcommittee that the inequitable overtime situation of the storekeepers be corrected by the adoption of the amendatory language set forth. The proposed amendment is couched in general terms so as to include employees in other branches of the Federal service who may be in a like situation.

On line 5, page 3, after the word "annum," we recommend that the period be replaced by a colon and the following clause added: "Provided, That in no case shall the additional compensation authorized by this section or the overtime compensation provided for in section 2 be at a lesser rate than will produce the sum of \$350 per annum."

As we see it, the twofold purpose of S. 635 is to provide a fair recompense to Federal employees for the longer hours of work demanded of them and to make it possible for them to earn either through the authorization of payment for overtime or through a percentage salary increase, a sufficient sum to bridge in part the gap between family budgets based on pre-war fixed salary scales and wartime living costs. Many of our low-salaried Customs employees are on a 44-hour week and the approximately 15 percent overtime which this bill provides falls far short of meeting the increased dollar cost of their basic needs for food,

shelter, etc. The \$350 figure is gleaned from newspaper and magazine accounts of price studies and surveys and from the experience of our own people. It is an approximation expressed in dollars per annum of the increased cost, despite price ceilings and rationing, of those commodities and services which are the minimum requirements for the maintenance of a family on a decent level. Congress has already in Senate Joint Resolution 170 placed a ceiling on the rate at which overtime may be paid and this bill maintains that policy. With that we are in agreement. However, we feel that with equal justice there should be a floor under the rate of overtime payable and we petition the subcommittee to incorporate such a provision in the bill.

On line 2, page 5, after the sentence ending with the word "agencies," insert the following language: "Where reductions in personnel are made under this section either by the heads of the departments or agencies of their own volition or on the order of the Director of the Bureau of the Budget, employees shall be released in the inverse order of their seniority in the affected department or agency insofar as such action can be taken without impairing the efficient operation of th department or agency."

Our purpose in offering this amendment is to protect, as far as possible, the career employees of the Federal Government. In the Customs Service and elsewhere, the curtailment of work by reason of the war and the lengthening of the working hours are making possible a substantial reduction in the personnel. Most of those who will be released will readily be transferred by the Civil Service Commission to other Federal agencies. But we are looking ahead to the post-war period when these employees having been dropped by the agencies to which they had been transferred for the duration seek to return to their Customs jobs. They are entitled to reinstatement only if a vacancy exists. The ending of the war will not bring an overnight resumption of foreign trade. Conceivably a very long time might elapse before Customs business reaches its peacetime volume and in consequence Congress might not see fit for a long period after the war is over, possibly for years, to reconstitute the Customs Service at full strength. For many of these transferred Customs employees, then, there would exist no vacancies to which they could return. Our people ask no special privilege in this matter. They wish only that which is fair, just, and workable. We submit that the proposed amendment to section 7 meets that specification in every particular. There is nothing unfair, unjust, or impracticable in drawing a distinction, when a choice must be made, between the employee who has devoted years to his job and the employee, however worthy, who is a recent addition to the force. We think it is not too soon for Congress to enunciate a policy on this subject.

In closing we wish to express to the chairman and the members of the subcommittee our appreciation for this opportunity to express our views.

Senator MEAD. I understand we have a Congressman present, Mr. Clason, of Massachusetts, who has a statement to make to the committee.

STATEMENT OF HON. CHARLES R. CLASON, REPRESENTATIVE FROM MASSACHUSETTS

Congressman CLASON. Mr. Chairman and gentlemen, I am not going to take up much of your time. I, of course, favor this legislation and I hope that a bill which will do justice to the Federal employees will be passed in due course. I, however, have here with me the president of the largest local of the American Federation of Government Employees, Mr. A. C. Cardinal, and I would appreciate it if he were given the opportunity to be heard.

Senator MEAD. We will call on him this morning, Congressman, and we appreciate your presence here and your interest in our legislation.

Congressman CLASON. There is only one feature that has disturbed me as between the post-office legislation and this, and that is that persons such as custodial employees in the post office and certain other

groups seem to be left out of both bills, although I understand that the bill which you people have under consideration is going to take these people into consideration, who nominally appear to be post-office employees, but at the same time do not seem to get the benefits of the post-office bill as it is now under consideration in the House Post Office Committee.

Senator MEAD. Up until recently, the custodial employees were housed in the Treasury Department and in the transfer of the care of Federal buildings from the Treasury to the Post Office Department the employees naturally were transferred but they were never identified with postal legislation. Therefore, they were to a limited degree orphans. However, yesterday we reported out a post-office bill increasing the salaries of post-office employees and we included the custodial employees in that bill.

Congressman CLASON. I am very glad to hear it.

Senator MEAD. We now have Charles I. Stengle, legislative representative of the American Federation of Government Employees. Colonel Stengle, I believe you are in favor of the bill?

Mr. STENGLE. I wouldn't be here if I wasn't.

STATEMENT OF CHARLES I. STENGLE, LEGISLATIVE REPRESENTATIVE, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. STENGLE. Mr. Chairman, for the purposes of the record, my name is Charles I. Stengle, legislative representative of the American Federation of Government Employees, which body is affiliated with the American Federation of Labor. This morning I also represent the American Federation of Labor which has wholeheartedly endorsed the position which we have taken.

I don't want to take a great deal of the time of this committee. In principle, we approve of this bill. But there are certain features that I want to call to the attention of the committee that I think ought to be considered in your final conclusions in the matter.

Over in the House committee—and I assume you had the same thing here—the representatives of the Government emphasized that they wanted to correct inequities and then they proceeded to lay down the Little Steel formula as one of the pictures that was intended for the purpose of correcting inequities. They also referred to the Fair Labor Standards Act.

This administration and myself—and those are two large bodies—are favorable to the Little Steel formula and the Fair Labor Standards Act, but the officials who spoke there and undoubtedly spoke here, in their great desire to correct the inequities began in the middle rather than at the beginning, for the Little Steel formula before it talks anything whatever about overtime pay, orders or directs that from January 1, 1941 there shall be a raising of the basic pay up to, but not exceeding 15 percent, for the purpose of overcoming the high costs of living. We favor that. We favor it for more reasons than one. We favor it because it is an established principle of this Government in its work with private corporations and industry. We favor it also because there hasn't been, and Senator Mead will confirm this, a reclassification of the CAF service since 1930, and even then it was only an amendment to the old act of 1923. So, Senator Burton, the base pay is

way under par and the Little Steel formula, if it was worked into this bill up to 15 percent—I want to correct myself because Senator McCarran told you yesterday that it was 19 $\frac{5}{10}$ percent now—but the Little Steel formula limits it up to 15 percent increase in base pay and from there it begins to calculate overtime pay—time and a half based on a 40-hour week and not on a 360-day year as the existing resolution provides.

Senator Mead, you have just made reference to the “orphans.” I have represented those orphans for many years. I refer to the custodial service.

Were you a stepfather or foster father? [Laughter.]

Mr. STENGLE. Sometimes I felt like I was both, because they have had a hard, hard life.

Senator MEAD. You would be a good father, anyhow.

Mr. STENGLE. That's right. You just stated that they have been reported favorably. I assume that your Post Office Committee of the Senate is to get that so-called bonus. The Comptroller General of the United States has made two rulings in recent months. I want to call your attention to both of them, and in this respect I want to call your attention to the bottom of the first page of your bill. You say that this bill shall not apply to officers and employees in the field service of the Post Office Department.

Senator MEAD. Yes.

Mr. STENGLE. The Comptroller General has ruled that when you use the words, “Postal Service,” the custodians are orphans and are out. When you use the words, “Post Office Department,” they are in. I would like to get that struck from here because I have no guaranty that your Post Office bill is going to pass. I have no guaranty that this bill will pass, but I would rather have these poor fellows in both bills than out of all. So, I ask you to put after the words, “Post Office Department,” the words, “other than the members of the custodial service,” and that will permit them to share in this overtime in the event they are not favorably included in the other—and I wouldn't care if they got both.

They work overtime. Unlike the average postal employee they actually work overtime and they have been for a long while sort of off on an island to themselves, and in order to guarantee that they get lifted from the ignominy that they have been living under, let's put them in the right place in both bills and take a chance on passing one at least.

There is another question. This is the fifth time that I have been on this class of legislation, either resolutions or bills, since 1940. We studied it around here last year. You will recall how we arrived at that one and three-hundred-sixtieth. You remember Smith Perdue, the Second Assistant Postmaster General. I got a piece of paper and pencil and I found that 12 times 30 was 360, and I assumed 12 months of 30 days is what somebody fixed as a basis. Now, we come along in this bill and we put a ceiling at \$2,900. Where you get \$2,900 from I don't know unless it was 29 times 100. I don't know any other reason for putting the deadline right there. We sort of usually deal in round numbers where I have been working. We work on a \$3,000 or \$5,000 basis rather than a \$2,900 basis. It is easier to reckon but there is \$2,900! You have been kind enough—and I appreciate it;

and those I represent—in knocking out that ceiling of \$5,000. We have men in the navy yards and in the arsenals who are doing a wonderful job; who are not the bosses but they are the experts who, when you put a ceiling of \$5,000, get almost nothing under the old law, but under this you are going to give them something on the \$2,900 or more than they get of the \$5,000. Aren't you laying yourself liable by leaving this \$2,900 in rather than give them the overtime on what they earn of getting that fellow in trouble back home when he takes the pay envelope home and he is told, and his wife is told he is getting time and a half for overtime and he only brings home part of it?

If it was based on his actual earnings he would get more. Why put that little ceiling in the middle there unless you want to make this a poor man's bill. In other words, you think that up to \$2,900 is about as far as anybody ought to ask for overtime pay. The overtime pay, not the old formula that they used when they wanted to get more people to work, but under existing conditions was intended to pay a man for actual service rendered beyond a reasonable limit of time. That is why we are hollering for manpower; that we need more manpower. If you didn't pay overtime you wouldn't get as much manpower as you have now. The same benefits that you find in industry are in this bill, and I want to plead with you to consider those things when you come to write your final bill.

I have great faith in this committee. I am not saying this because there is a crowd in the room. I have served with you, Senator Mead, and I have been around long enough to know that Senator Burton is a square shooter. He doesn't always agree with me. I hope he will this time, but he tries to do what is right. I served with old-friend Scrugham in the House. It's a fair-minded committee. The only thing that I want to urge as a finale is that you get somewhere and get there quickly because April 30 is the deadline.

Let me make one more statement and quit. You make this bill effective until June 30, 1945. That sounds funny to me when we say it is done to correct inequities. Are we going to correct the inequities to June 30, 1945, and then start our inequities after June 30, 1945. Why put any date in there? Why not say it is for the duration of the war and 6 months thereafter, otherwise we are going to come back with a continuing resolution two or three times in the coming year or two as we have been hampered with in the last year. That is my final suggestion.

Senator MEAD. Don't you suppose the war will be over by June 30, 1945?

Mr. STENGLE. I would be very happy, Senator Mead, if it were, but if it isn't over we will need this bill a darn sight more than we do now.

Senator MEAD. Don't you think it is all right for us to proceed with confidence that as provided in this bill we are going to finish the job by June 30, 1945; that we will all get our heads together and make our contributions?

Mr. STENGLE. I hope so. I'm living on hopes these days. When we get old, Senator, we fellows—not young fellows like you—become wiser though weaker, and we don't look at a picture and say it is perfect. We see some mistakes; experience has taught us that. I have been on this legislation five times because there has been a deadline somewhere. Let's make it for the duration and 6 months after,

and let's be done with worrying the Senate, worrying the House, and getting worried a heap ourselves by hoping and praying that we will get something done before the deadline is reached. I would be very glad to answer any questions you want to ask.

Senator BURTON. On that question of the date while we are on it—it has been the practice, as you have probably noticed in the Judiciary Committee, at least, to fix the date for the end of the war as December 31, 1913; when they want to put the 6 months afterward, June 30, 1944; and this time we have allowed an extra year, June 30, 1945, so this is the farthest date for 6 months after the war that we have put in the bill.

Mr. STENGLE. I remember at the beginning of this fracas in both the Senate and the House when they passed certain legislation said for the duration of the war and 6 months thereafter. Then came this question, and it is a question to be thought about as to just when the duration of the war will be.

Senator BURTON. Of course, that was the reason why the Judiciary Committee put in a date. You can change a date, but at least you know the date when you put one on.

Mr. STENGLE. I have no objection to putting in a proviso there that if this thing isn't over by that time that it shall continue and not force the Senate to worry and vote again.

Senator BURTON. I want to get your thought on one point. As I understand it, you ask extra rates of pay to postal employees.

Mr. STENGLE. I have no objection.

Senator BURTON. I understand that that is on a flat rate basis and that is an increase of \$300 a man. As I understand it here we are dealing on an overtime basis and where the overtime cannot apply we again deal on a percentage basis and there is a percentage of 15 percent in the \$2,900 in the maximum case, which would be \$345 to that man who couldn't work overtime. How do you reconcile that situation?

Mr. STENGLE. You have your legislative employees who have to be on a percentage basis. If you gave them overtime you would give them more money than a Senator gets because they work very long hours.

Senator BURTON. I am recognizing that part of the bill as a percentage basis and not overtime. But the thing I wanted to get your opinion on is the \$300 per man in the post-office bill which is a flat raise, and in the case of this bill where it is not on overtime basis instead of a flat rate of \$300 it is on a 15-percent basis. What about the validity of using the percentage basis here instead of a flat basis?

Mr. STENGLE. It depends on circumstances. You have got in this present law, whether you change it in the post-office bill or not—if you put the Post Office Department on a 48-hour basis and there is existing law that pays postal employees at the present time some other overtime pay whether it is straight time or whether it is time and a half, I forget. But they get something, I assume, unless that law is repealed, and they get some straight pay for the extra day, Saturday. In addition to that, they would get the \$300—what some choose to call a bonus. I don't like that word. I think it is a long-forgotten increase in basic pay—long forgotten—since 1925, and Senator Mead will bear me out on that. We voted for postal pay

increases back in 1925 and they haven't had a salary raise since. The same is true of this other group, the CAF's. Since 1923 and amendments in 1930 the only thing they have gotten in the way of an increase has been by way of promotion, and the promotion is something that ought to always be present if you have efficiency and loyal service.

Senator BURTON. Let me ask it this way: What would be your opinion of substituting in this bill in place of the 15-percent bonus, or, as now, 10-percent bonus, a flat raise of some positive figure of \$300 or \$350 or \$400—whatever you might suggest, leaving out the concrete figure? What would be your opinion in view of what we are proposing to do with the Post Office employees of a flat figure—putting a flat figure here and thereby helping the little man?

Mr. STENGLE. What are you giving the postal employees, a bonus? Is that a bonus?

Senator BURTON. Ask the chairman.

Mr. STENGLE. Is that a bonus that you are giving to the Post Office employees during the war—for the duration of the war?

Senator MEAD. It is referred to as a bonus of \$300 for the duration of the war, and no time and a half for overtime—just straight time for the time they work.

Mr. STENGLE. I am afraid of this word "bonus," and I'll tell you why. At the beginning of this agitation we had a conference of all these Government-employee organizations, and we decided that we would ask for a bonus for the duration of the war somewhat similar to what you had in the World War, and, so, we prepared a bill and had it introduced with \$300 straight. Within 24 hours some of our good friends from downtown brought up H. R. 7144, an overtime pay bill, and informed us that the President was opposed to a bonus. I'm not out looking to bump my head against a stone wall, Senator, on a bonus. If he was opposed to a bonus he would veto a bonus, and I am not favoring any word called "bonus." But I do advocate an increase in base pay which is a long-delayed justice that they ought to have.

Senator BURTON. Without prolonging the discussion, would you have an opinion as to whether we could increase the base pay to better advantage by saying a flat sum rather than a percentage?

Mr. STENGLE. Of course, your CAF classification calls for a base pay—different grades in different amounts. You couldn't just take a flat sum and do justice to all the grades.

Senator BURTON. We are doing that in the Post Office.

Mr. STENGLE. You have only five grades there. If you were to look over the CAF's and see what you have—

Senator BURTON (interposing). Do I gather from your statement that your reply would be that you think it would not be better to use a flat sum in this bill?

Mr. STENGLE. I think you ought to put something in there to meet the high cost of living as a base pay increase for the duration. As I said in the beginning, that is what you ought to do. Then, I think from there you want to carry out the Little Steel formula of time and a half for overtime based on one two-hundred-and-sixtieth, and there again, I am a little fearful. If Senator Mead will remember, and maybe you do, last year you got a bill in here of one-two thousand and eightieth of an hour. Unless you put some limitation in this bill your

one two-hundred-and-sixtieth is all right providing they don't work a man 12 and 14 hours on 1 day and none the next day to get the 40-hour week. I am not in favor of killing the Government employees and neither am I in favor of killing anybody else. You can overwork a horse and you can overwork even a little stenographer, and they have to go to a bed or a hospital because they are overworked. I think the base ought to be higher—the idea of paying anybody here in this city \$1,440 and expecting him or her to exist in a decent manner—that is what I am worried about—the base pay.

Senator BURTON. That is just the point. If you increase the base pay by a flat sum you increase the smaller paid employee to better advantage to meet the cost of living than if you do it by percentage.

Mr. STENGLE. All right, but if you are going to do it in a graduated manner so that everybody will get something in the way of a base pay increase that is all right.

Senator MEAD. Thank you very much, Colonel.

Now, we will call upon Mr. Arthur Stein, assistant to the secretary treasurer, United Federal Workers of America. Before Mr. Stein takes the witness chair, I have here a telegram from Wilbur B. Rogers, president of the Naval Design Alliance, Navy Yard, Philadelphia, who asks to have this name, E. A. Alm, substituted for his name and put that statement in the record. That will be done.

(Pursuant to the direction of the chairman, the telegram and statement follow:)

MARCH 2, 1943.

BETTY M. MARELIUS,

Clerk, Senate Civil Service Committee,

Senate Office Building:

Received your telegram this morning. Too late to attend hearing. Will appreciate it greatly if you will submit our brief handed to you by E. A. Alm as testimony and include in minutes of hearing. Thank you very much for your graciousness in making arrangements and greatly regret inability to attend.

To the Senate Subcommittee on Civil Service, Conducting Hearings on S. 635:

My name is Edwin A. Alm. I have the pleasure of representing the Design Alliance, the Design Supervisors Association, and the Development Association, all of the Philadelphia Navy Yard. These organizations, although concurring with our major labor unions on issues involving Federal employees, are essentially independent. I greatly appreciate the opportunity of appearing before this committee and wish to state that the Federal employees, whom I represent, wholeheartedly endorse S. 635, with one exception—i. e., the \$2,900 limitation as a basis of computing overtime pay.

We, along with other Federal employee groups and organizations, have continuously pleaded for and patiently awaited such legislation as would rectify the discriminatory provisions for payment of overtime to the Federal salaried and Federal per diem employees. We believe that S. 635 will eliminate such discriminatory provisions if reference to the \$2,900 limitation as a basis of computing overtime pay, now contained in section 2, be deleted.

Since the act of March 28, 1940, which did not completely satisfy the salaried employees' overtime-pay requirements, subsequent similar eleventh-hour joint resolutions and stop-gap legislation has kept the salaried employees on edge and tended to break down their morale, which is so essential in wartime. We, therefore, make the appeal that this bill be read out of committee, with the above-mentioned deletion, giving salaried employees the same basis for payment of overtime as now afforded both per diem Federal employees and private industry employees.

We compliment you, Mr. Chairman, on the removal of the \$5,000 limitation, as in the present overtime bill it has definitely caused a reduction in income to cer-

tain groups of employees, which we do not believe was the intention of the \$5,000 limitation. To illustrate, we set forth the following examples:

(1) A salaried employee at the Philadelphia Navy Yard earning a base salary of \$4,600 a year, working under the regulations existing prior to the enactment of Public, 821, earned for the year 1942 a total of \$6,100, which consisted of base plus overtime pay. Under the regulations of Public, 821, this same employee can only earn \$5,000 per annum, representing a reduction in income of \$1,100.

To carry the illustration farther, this same employee has since been promoted to a position paying a base salary of \$5,600 per annum. Under the existing regulations, in spite of the fact that he has received a promotion and assumed increased responsibilities, he has been given, in effect, a \$500 per annum reduction in income.

(2) Based on a decision by the Comptroller General, in interpretation of Public, 821, a salaried employee whose base salary is less than \$5,000 per annum cannot earn more than \$208.33 per semimonthly pay. It follows, then, that an employee with a rate of P-5, earning \$4,600 per annum, exercising supervisory duties over an employee with a rate of P-4, earning \$3,800 per annum, will actually receive less in his pay check than will his subordinate, inasmuch as the base pay of each is subject to a 5 percent deduction, withheld by the Government toward retirement. This means a difference in semimonthly income of \$1.67 less for the supervisor than for his immediate subordinate.

Therefore, gentlemen, the elimination of the \$5,000 ceiling is one of the reasons why we endorse H. R. 1860.

We further compliment you, Mr. Chairman, on inserting the basis of computing the daily rate of pay on one two-hundred-and-sixtieth of the basic annual salary, in lieu of the one three-hundred-and-sixtieth as in the present overtime bill. This particular phase of the present overtime bill has caused no end of dissatisfaction among Government employees and has been the cause of unfair inequalities. We again set forth a typical example showing the effect this has in the pay checks of salaried employees.

A first class painter in the per diem group at the Philadelphia Navy Yard earns a basic wage of \$2,600 per year and a salaried employee, rated at P-2, earns, likewise, a basic salary of \$2,600 per annum. Based on a 40-hour workweek the painter received \$15 for his Saturday pay, whereas the P-2 employee receives \$10.83 for his Saturday pay, representing a difference in income of \$4.17. On a yearly basis, this represents a difference in income of \$216.84 for the salaried employee.

Therefore, gentlemen, the substitution of one two-hundred-and-sixtieth in lieu of one three-hundred-and-sixtieth as the basis for computing the daily rate of compensation of salaried employees is the only fair and just means of correcting this situation and is another reason for our endorsing S. 635.

We repeat that the \$2,900 limitation for payment of overtime should be deleted inasmuch as it is but a half measure and will, if not eliminated, still leave inequalities within the Federal employee groups. To illustrate its effect we set forth the following facts:

All salaried employees, who by their initial qualifications and meritorious services have achieved positions in the Federal employ, compensated by an income in excess of \$2,900 per annum, are penalized, whereas per diem employees having similarly achieved comparable positions have no restrictions imposed on the computation of their overtime pay.

In summarizing, we appeal to this committee to report favorably on S. 635 as written, with the exception noted above, inasmuch as we feel that the opportunity is again presented to rectify some of the injustices that have been prevalent within our Government family.

Senator MEAD. Mr. Stein.

STATEMENT OF ARTHUR STEIN, ASSISTANT TO THE SECRETARY-TREASURER, UNITED FEDERAL WORKERS OF AMERICA

Mr. STEIN. Senator Mead and Senator Burton, the United Federal Workers of America and the C. I. O. as a whole, are both on record in favor of this legislation as it has been drafted. We favor it at this time for two reasons: First, we favor it as a permanent measure on the general grounds of equalization of pay standards between Federal

employees and workers in private industry. We do not believe that the two groups should be set apart in any major respect as far as their pay standards or many other attributes are concerned. For this reason we do not look upon this as a purely wartime measure. But, of course, the main urgency for this proposal derives from the present war. As a wartime measure we see it as something that is essential to prevent, first, the drastic turn-over exodus from the Federal service and transfers within the Federal departments; and second, as a builder of morale from the point of view that Federal employees now feel themselves, and in fact are, in an adverse condition of pay standards as compared with workers in private industry.

The Bureau of Labor Statistics' computation shows that the weekly earnings of private manufacturing workers have gone up 60 percent since the beginning of the war. I think that taking the Federal civilian employees not covered by wage boards, the group we are considering, and combining the effects of the \$1.200 minimum pay bill and the promotions bill, by and large, the increases in weekly earnings of Federal employees have gone up much less than 20 percent since the beginning of the war.

Of course, the war should not be an excuse to put everybody on the "grave train" but certainly we need to stabilize the home front to the extent that it is necessary to achieve maximum production; and the turn-over figures for Federal employment which are higher than those in private industry—actually higher—are the most startling indication.

I assume that the Commissioners of the Civil Service Commission and the representatives of the Bureau of the Budget have already expressed their concern about this problem of turn-over. We don't know too much about the reasons for the turn-over except that we have one small illustration in the form of the exit interviews of the Civil Service Commission. In November, excluding turn-over or separation for entry into the military services, which are, of course, necessary and justified, I estimate that 30 percent of the people leaving the Federal service would have stayed had this present bill been in effect at that time. The largest single reason for leaving is low pay. One of the largest reasons is high cost of living which is just the same as low pay. There are dissatisfactions with housing, ill health, resignations to take care of children. All of these, in part, at least, could be corrected by the passage of this type of legislation, so that, as I said before the main urgency for the passage of this bill is to promote some degree of equalization between Federal and private workers, at least for the duration of the war, although we again favor it as a permanent measure to remove any bars, any walls, that exist between the two large groups in American industry.

So far as the coverage of the bill is concerned, we endorsed a proposal to extend its coverage to employees of the elective branch of the service—the legislative branch: The Architect of the Capitol, the Library of Congress, the Botanic Gardens. I hope, with Colonel Stengle, that the custodial employees of the Post Office will be covered, too.

Senator BURTON. I missed your comment on the employees of the Library of Congress, the Architect, and the Botanic Gardens. You wish those covered?

Mr. STEIN. Yes; they are not covered under the provisions of the act.

There is one problem that I would like to bring to your attention now. I cannot propose an accurate solution to you, but we have found that the provisions of last year's Overtime Pay Act are not being carried out. The theory has been adopted that while work up to 48 hours will be compensated at the rate of time and a half, work over 48 hours, in general, has not been compensated for—either not at all or by time off. In our opinion, when this legislation was passed last year, the language was perfectly clear and straightforward. It called for overtime pay at the rate of time and a half, although on a 360-day basis. But by means of some rulings of the Comptroller General, which themselves are not too clear, many of the executive departments have issued or are preparing regulations which stop the overtime pay at 48 hours.

Senator BURTON. Is that uniform throughout the service?

Mr. STEIN. No; there is a tremendous variation. Each agency is preparing its own order and there is a tremendous difference between the orders.

Senator BURTON. Couldn't you get an administrative ruling from the top as to what the law means?

Mr. STEIN. I think the main solution in the difficulty is in that direction. But I hope, at least, in the record of the proceedings of this committee that some clarification is introduced, and I think that would be sufficient to solve the whole situation just so that the intent is made clear.

Senator BURTON. You understand that this is not stopping the overtime at 48 hours.

Mr. STEIN. That's right.

Senator BURTON. And this law is in the same language as the other one.

Mr. STEIN. Yes, we didn't expect when the other one was passed—

Senator MEAD (interposing). But for fear that it will rise again you would suggest that some statement clarifying it be contained in the record?

Mr. STEIN. I don't think an amendment would be necessary in this instance.

Senator BURTON. Might it be in the report?

Mr. STEIN. The theory has been adopted that you can have average working hours, first, over a week, then over two weeks and a month and before you know it it will be over a year and then over a lifetime, and the annual leave will accrue when the employee dies and then he will get it all, and that will average out to him the 48 hours a week.

I think that in general the passage even of last year's bill, which we considered inadequate in the sense that the amount of increased pay was at the rate of only one and one-twelfth of that time, has had a drastic effect on the improvement of morale because while it is true that Government employees as a group are certainly as patriotic and loyal and devoted and hard working as any other groups, you can't help but have the feeling that their morale has been lowered relative to workers in private industry by the fact that their living conditions and pay standards are lower; that while the morale has been increased

there is still considerable room for improvement, and, of course, increased morale will result in increased production, something which is essential for the Government service with almost 3,000,000 producing workers.

Senator BURTON. What would be your comment as to the question that I presented to Mr. Steward about the relative satisfactoriness of a flat increase to everybody similar to that in the last war, as compared to the overtime and percentage basis of increase?

Mr. STEIN. I was careful to say at the beginning that we feel that this should be a permanent measure—the acceptance of overtime pay and time and a half; and the situation we have now is that the Government lags behind rather than precedes industry. In order to remove the differences between the private and the Federal employees we are in favor of the recognition of the principle of overtime pay as a permanent measure. I think that we will probably seek legislation later which would also affect the base pay of Federal employees, but since this bill is an overtime pay bill, and since the principle of overtime has in part been recognized, I think it would simply plunge us into chaos to change over in mid-stream from an overtime pay bill to an increase in the basic rate pay bill.

Senator BURTON. In the portion of employments where the overtime is not practical and we apply it by this bill on a percentage basis, what is your comment as to the preference of the percentage basis to a flat increase there?

Mr. STEIN. I don't think it makes any difference.

Senator BURTON. It does to the little fellow who might get more under a flat increase than a percentage increase.

Mr. STEIN. I think if you want a complete equitable treatment, perhaps, a sliding percentage scale would be the best thing.

Senator BURTON. You mean a higher percentage to the smaller man?

Mr. STEIN. Yes; but since the bill is here as it is and the principle has already been adopted, I think that we should go along with this and then proceed to consider the entire pay structure somewhat along the lines that Admiral Fisher has proposed, right from the ground up. The end purpose of any such consideration would be to assure to every Government employee enough income so that he could do a maximum production job—that is the objective; and that will require greater increases, no doubt, in the lower than in the higher brackets.

Senator BURTON. Are you referring to the Post Office bill—are you taking part in the hearings—are you interfering with the Post Office bill, S. 360, which makes a flat increase?

Mr. STEIN. Yes; for the reason, generally, that Colonel Stengle advocated, with the pay scale ranging as low as it does in the post office. There are any number of proposals which could, of course, be introduced and no doubt discussed, and some of those adopted.

Senator MEAD. Not only are the pay scale ranges limited, but the average clerk and carrier, after he completes his apprenticeship, receives a base pay of \$2,100, perhaps, for the rest of his life.

Mr. STEIN. That's right.

Senator MEAD. But in addition to that you cannot put special-delivery messengers, letter carriers, and others on the road on a time and a half basis. They are paid by fees, miles, speed of trains, and so forth—that includes the railway clerks.

Senator BURTON. You feel that there is or is not any inconsistency in presenting S. 360 at the time of presenting this bill?

Mr. STEIN. I think there are some minor inconsistencies which are outweighed by the positive advantages of taking these two steps at this time. The situation could have been a sweeping reconsideration of the whole structure. There wasn't, and rather than delay and promote still further exodus in the middle of the war, I think we should go ahead and patch up the situation now, and then, when a little more time is available, reconsider the entire structure.

Senator BURTON. In the case of these employees covered, then, by S. 360 you favor a percentage basis rather than attempting to approximate it with a flat sum to cover their cases at the present time.

Mr. STEIN. Yes; but only because that principle has already been accepted in last year's legislation. We have no great preference, nor do we have any great concern for the Federal employees in the very highest pay brackets. I think they will probably get along.

Senator BURTON. But do you approve of the relationship between the two items here that, as I understand it, with the overtime basis computed on the basis of one two-hundred-and-sixtieth may run something like a 30-percent increase of pay if you work the extra 8 hours, whereas on the other group where overtime is not taken into consideration there would be a 15 percent increase of their pay but not in regard to any overtime that they are making?

Mr. STEIN. It is the same answer, Senator Burton. There are minor inconsistencies and the whole situation could be improved by thorough reconsideration. I don't think we have the time. If we wait too long I think that we will find that the War and Navy Departments and the war agencies have lost so many people that our war operations will be hampered.

Senator MEAD. Severe injury has already been done to the war effort by reason of the large turn-overs that have taken place. In addition to that the Congress permitted an inequity to continue for many months in the working of employees 44 and 48 hours without any compensation, while being associated directly with employees in the war effort, giving them the work, and they were getting time and a half on an actual basis for the overtime day work, and so we just ran into a problem that out of all self-respect and reasonable and justifiable consideration demanded prompt—as prompt as possible—revision.

Mr. STEIN. We feel that the per-annum employees, while their work is not as dramatic as those of the production workers and the arsenals and navy yards, do perform a vital war service and their production and morale and their service to the Federal Government must be taken into account.

Senator MEAD. Is there anything else? Thank you very much, Mr. Stein.

Mr. STEIN. May I submit a supplemental statement?

Senator MEAD. Yes.

(Pursuant to the direction of the chairman the supplemental statement follows:)

The United Federal Workers of America, affiliated with the Congress of Industrial Organizations, endorses wholeheartedly the overtime pay bill for Federal workers, S. 365, and strongly urges favorable action on this bill by the committee.

The Congress of Industrial Organizations as a whole has also endorsed the principles of this legislation whose enactment would go far to solve one of the most acute problems facing Government workers and the Federal service in general.

Before coming to the question of the need for such legislation as a measure required to speed victory in the present war, I should like to state our conviction that provision for overtime pay at the full rate of time and one-half is highly desirable as a permanent measure. It would carry into the Federal service the principle which now prevails almost universally in private industry. We are of the opinion that the pay standards of Federal workers have been in general below those of employees of private firms, particularly with respect to this question of pay for overtime work.

Data are available from the Bureau of Labor Statistics on changes in weekly and hourly earnings of wage workers in manufacturing industries throughout the country. From September 1939, when average weekly earnings were \$24.70, to December 1942, when they stood at \$39.78 per week, factory wage earners' weekly earnings rose by 61 percent. This is, of course, due to a combination of longer hours per week and to increased earnings per hour, the latter factor being predominant. During this entire period the wages of per annum Federal employees remained constant, with three exceptions—the passage of legislation providing for a minimum \$1,200 annual salary which resulted in some small increases for the lowest-paid groups, the overtime pay legislation, and the within-grade increases under the Ramspeck Act. Thus, it would seem that factory wage earners have fared considerably better in the war period than have the annual wage workers in the Federal service.

We should like to see Federal workers treated by and large in the same way as any other workers. We do not think that they should be set off in a separate class by themselves with either special privileges or special hardships. If anything, the Government should be a model employer, blazing a trail of progressive labor standards for private industry to follow—a situation which has not prevailed up to the present time. Furthermore, Mr. Flemming of the Civil Service Commission has already testified to the fact that approximately 60 percent of the present working force in the Federal Government—wage board employees in navy yards and arsenals—have already received full time-and-a-half pay for overtime. We have, then, this problem of equalization of wage standards not only between Federal and private employment but within the sphere of Federal employment itself. Finally, while this is not within the purview of your committee at this moment, I should like to remind you that the great majority of workers in private industry have received increases in hourly pay rates up to 15 percent in the last 2 years, under the operation of the War Labor Board Little Steel formula, and that no such recognition of increased living costs has been granted to Federal workers. At a suitable time in the near future, it is our aim to request appropriate legislation to meet this situation.

But apart from the above question of permanent adjustment of Federal pay standards, the acute problem which faces us jointly today is that of promoting the speediest possible victory in the war for survival and democracy in which we are engaged. Let no one minimize the role which the civilian Government employee plays in our common effort. Whether as mass production workers in shipyards and arsenals, working as welders, riveters, mechanics, and laborers, or as mass-production clerical workers on typewriters, calculators, and office machines, the more than 3,000,000 Federal workers constitute today the largest single block of civilian producers in this country. Every measure which can be taken to raise the morale of this vast civilian army and to increase its production should be taken with the most possible speed.

After all, Federal workers are today working and living under conditions which tend very strongly to lower morale and to lower productivity. The great influx of working people into centers of war production in which Government employees live and work has resulted in crowded and substandard living conditions, inadequate transportation facilities, reduced health and welfare services, and little or no recreation. While many of these problems will be alleviated only indirectly by an increased pay check, some of them will be affected in a measurable and obvious degree. The base pay of the average per annum Government employee is not higher than \$1,500 a year; and the problem of feeding, clothing, sheltering a family on such an income is today almost insuperable with food costs rising almost daily. A man who is worried by the problems of where he is going to raise the money to meet the grocer's bill, the rent, and

the doctor's bill, is not going to be, by any means, at the peak of his production capacity. It is my opinion, on intimate contact with thousands of Federal workers in various parts of the country, that even the passage of last year's Overtime Pay Act, inadequate as its provisions were, has resulted in a higher rate of production in the Federal service, not merely in terms of work performed in the additional overtime hours, but also in the amount of work done every hour of the day. Government workers as a group are as loyal and patriotic and devoted to the winning of the war as any other group of workers in the country today. Give them the chance to produce and they will produce—and the question of adequate overtime pay is a central point in this connection.

You may think that I have exaggerated the extent to which morale has been adversely affected by inadequate pay. However, the most startling proof of what I have stated is available in the form of Civil Service Commission statistics and turn-over in the Federal service. Commissioner Flemming told you that—that in the last half of 1942, of 100,000 placements made in Washington by the Commission, 84,000 were to fill vacancies, while only 18,000 were for new jobs. This is equivalent to an annual turn-over rate here of at least 60 percent. Now, out of these 84,000 replacements, probably about one-fourth were due to men and women entering the military services. As to the remaining 60,000, we can draw some inferences as to the reasons for their leaving the Federal service from a study made by the Civil Service Commission of a sample of 5,560 separations which took place in Washington in the month of November. Excluding separations for military service and interagency transfers, we find that about 40 percent of the people who leave do so for reasons which are more or less directly of a financial nature. The largest single reason was the low salary received, and the others include poor health and the need to care for children, increased living costs, poor transportation, and housing facilities. Perhaps not all these turn-over cases would have stayed in the Government if we had already been under a time-and-a-half basis for overtime as a pay standard, but I would venture the opinion that most of them—possibly 30 percent of all the people voluntarily leaving the Government service—would not have left had S. 635 been in effect last year. Furthermore, there is also a serious problem of uncontrolled transfers among the various Government agencies, and I will tell you frankly that in many cases Government employees do leave their present jobs to work for other agencies at a higher rate of pay. It seems evident to us, therefore, that this legislation is an immediate necessity right now as a war measure.

I don't know whether any of your previous witnesses has discussed the actual cost to the Government in dollars and cents of this tremendous turn-over, which, by the way, is considerably higher than that prevailing in private industry. When a man leaves a Government job and someone comes in to take his place it probably takes at least 3 months before the new employee reaches a level of efficiency equal to that of the man he replaced. At the same time you have all kinds of training programs which themselves require manpower and equipment. Not only that, but the man who left his Government job—to go either into private industry or another Government agency—will himself require 2 or 3 months of training before his production reaches par. I am convinced that if it were possible to add the total costs involved in reduced efficiency arising from turn-over, in training programs, and in the lowered morale and productivity of all Government employees, that could be eliminated by the passage of this bill, the final result would be a net saving to the Federal Government in actual dollars and cents.

In the period from September 1939 to December 1942, the cost of living for the country as a whole covering all income groups rose by almost exactly 20 percent, according to the Bureau of Labor Statistics. It is generally recognized that these figures are extremely conservative. In the first place, they take no account of black market operations, which, according to the press, are so prevalent throughout the country today; in the second place, they take no account of the deterioration of the quality of food and clothing which is now available, and in the third place, they do not reveal the fact that cost of living increases are doubtlessly sharper in their effect on low-income groups than upon those in higher brackets. For example, while the total cost of living rose about 20 percent, the cost of food rose by more than 33 percent in the same 3-year period. In other words, per annum Government employees, particularly those who are in the lower income brackets (50 percent receiving \$1,500 a year or less) are being called upon to make sacrifices entirely disproportionate to those of the other sections of our population. While we are on this subject of cost of living, I should like to answer a point which has often been made,

particularly in places like the city of Washington. It has been charged that while \$1,500 or \$1,600 may be inadequate for a family of four or five, a great many of the Government employees in Washington are single men or women with smaller expenses, and that, therefore, these statistics are inapplicable to them. Let me say here that reports we have received from a great many Washington government employees show that these single workers are just as badly off as the family man. Boarding house rents have probably gone up as much as 60 percent in the last year, and restaurant meals (as you probably know by your own experience) have gone up even more than that. According to the Women's Bureau of the Department of Labor, the estimated annual cost of maintenance and protection of health for a woman Government worker living alone in the District of Columbia is \$1,830 per year.

The plight of the lower-paid Government worker and his family is shown by the fact that in 1941 families whose incomes were under \$1,500 per year had a net deficit—that is, they actually spent more money than they received; in short, they had to borrow money or pawn or sell some of their possessions—and this was in 1941 when the tax bill was very much less than it is this year and before the advent of the war bonds and stamps program. Imagine the situation of \$1,500 a year family in 1943 with the cost of living having risen 20 percent and the war bonds taking another 10 percent, and taxes still another 10 percent, and with an income which has remained relatively unchanged.

In passing, we should like to go on record as supporting Commissioner Fleming's suggestion to include the employees of the Library of Congress, Botanic Gardens, and the Architect of the Capitol under the overtime provisions of this bill. We see no reason why the employees of the legislative branch of the Government should not be utilized to the full extent of their manpower and receive corresponding compensation in the same way that provision is being made for the employees in the executive branch.

Finally, I want to take this occasion to call to the attention of your committee a problem which has arisen in connection with the operation of last year's overtime pay legislation. We have found that many departments have not adhered to the letter and spirit of the Overtime Pay Act and the President's Executive order interpreting it. Many of the executive departments have issued regulations which state flatly that overtime pay will be granted only for work up to 48 hours per week and that all overtime worked above that will not be compensated for at all. The theory behind this interpretation seems to be that while no one but the head of the department can authorize payment for work over 48 hours per week, almost any supervisor is authorized to instruct or request employees to work hours in excess of 48. Consequently, the individual employee is in the position of either refusing a direct request from his superior officer to stay on the job more than 48 hours (which is certainly an undesirable situation) or of working more than 48 hours without any pay for the excess hours, not even at straight time (which, in our opinion, is an illegal situation). While I recognize that the primary solution to this problem must be found within the executive branch of the Government, I am calling it to the attention of this committee so that they may be in a position to take it into account in their consideration of the present legislation.

Senator MEAD. We have another national officer, and after that we will finish with national officers. We have Mr. N. P. Alifas, president, District No. 44 of the International Association of Machinists. Mr. Alifas, we welcome you.

STATEMENT OF N. P. ALIFAS, PRESIDENT, DISTRICT NO. 44, INTERNATIONAL ASSOCIATION OF MACHINISTS

Mr. ALIFAS. Thank you, Mr. Chairman, and gentlemen of the committee.

For the record my name is N. P. Alifas, president of district No. 44 of the International Association of Machinists. I am also chairman of the legislative committee of the metal trades department of the American Federation of Labor.

Senator MEAD. You know, Mr. Alifas, I was once a machinist.

Mr. ALIFAS. I understood you were.

Senator MEAD. That's right.

Mr. ALIFAS. You have been many things, Senator.

Senator MEAD. I didn't do them very well but I was a machinist in the shop of the roundhouse of the Lackawanna Railroad.

Mr. ALIFAS. Is that a fact?

Senator MEAD. That's right.

Mr. ALIFAS. I am glad to learn that.

Senator BURTON. I was an electrical lineman's helper.

Mr. ALIFAS. Then you can appreciate the position in which the machinists and similar craftsmen find themselves at the present time.

I had the privilege of appearing before this committee on previous bills similar to this one and I think the committee knows the position of our organization; and perhaps the only purpose in my appearing here this morning is to assure you that we hold the same position that we did at the last time we appeared. There hasn't been any reason why we should change our minds on it.

Senator MEAD. A good many of your employees are under the direction of wage boards in the matter of wages.

Mr. ALIFAS. The bulk of our membership is covered by the wage board system of setting wages and permanent overtime provisions of law and I would like to again emphasize that we hope that the committee will do nothing to disturb existing permanent overtime legislation. Let that ride as is provided in the bill under paragraph (e) here. If that stays in the bill that will adequately take care of the per diem employees.

We have a small proportion of our mechanics who have been promoted to the key positions in the navy yard and arsenal service such as inspectors. Inspectors, as a rule, are selected from among the best mechanics. Under the Classification Act they are supposed to get the next higher salary grade above what their annual wages would amount to on the per diem basis. But owing to the fact that many of these high class mechanics were made inspectors before the increases were given to the per diem employees from among which they were selected, they are now far below in pay, what they would be getting if they had stayed at the trade, and they are supposed to be performing a superior class of work. That unfortunate situation has deprived many of them of \$400 or \$500 a year income on an overtime basis. But that will be taken care of if the committee will adopt that suggestion made by Commissioner Flemming authorizing the Civil Service Commission, on recommendation of the departments, to adjust within-grade salaries of these employees so that they may be put in the same comparable position as they formerly enjoyed with relation to the skilled trades.

I would like to invite attention to one circumstance connected with this bill, and the chairman will recall that when this proposal was considered last fall we were very anxious that no one should suffer a reduction as a result of the law that was signed on December 22. Among those we had in mind were the inspectors. You see, they were getting overtime on their entire salary and I believe the Civil Service Committee figured that inasmuch as it had recommended that the per diem rate should be based on 1/260 of the salary, that these employees would be getting a little bit more than they had pre-

viously been receiving even though there was a ceiling put on for \$2,900. But unfortunately, the Senate and the House took a different view and they put back the 1/360th differential; so that these men, who had been receiving overtime on their entire salary, even those receiving \$2,900, were limited, and therefore they actually suffered a cut in pay.

Senator MEAD. Yes.

Mr. ALIFAS. That disadvantage was added to the other disadvantage of being paid a salary that was lower than it should be in comparison with the basic trade. We also call attention to the fact that even under this bill, with the \$2,900 ceiling, an employee, say, who receives \$5,800 will receive only 13/24 of straight time for his overtime work.

Senator MEAD. For his overtime.

Mr. ALIFAS. I beg your pardon. Strike that out please. He will receive $\frac{3}{4}$ pay for his overtime.

Senator MEAD. Three-quarters.

Mr. ALIFAS. Yes. If at the present time the ceiling of \$5,000 were eliminated he would be getting 13/24 of the straight pay for overtime work.

Senator MEAD. Yes.

Mr. ALIFAS. Perhaps the committee might also be reminded that there will be a considerable amount of this overtime that will be recaptured in the form of income tax. The experts have told you, I believe, that the bill, if enacted, will involve as it stands, an additional expenditure of about \$266,000,000. However, that is not the amount of money that the Government will be out of pocket. There will be a considerable proportion recaptured in the form of income taxes. That shouldn't have anything to do, however, with the merits of the proposition, but there may be representatives in Congress who might be influenced by the actual amount of money involved in the bill, so that it might be gratifying to them to know that the Government isn't actually going to spend this much money; that it is only taking a part of it out of one pocket and putting it into the other. The Government actually will have to pay much less than the total figure stated.

Senator BURTON. You wouldn't urge that every time we increase the income tax that we increase the Federal employees to keep up with the income tax?

Mr. ALIFAS. I am not advocating that, sir, but there is the individual who is what we might call an "economyist." There isn't any such word, but there ought to be. He looks at the sum of money involved regardless of the merits of the proposition, and says that it costs too much money. Such an individual might support the bill if he were reminded that the Government isn't actually spending this much money. It is only taking the money out of one pocket and putting it back into the other.

I sincerely hope that there will be no effort made to repeal existing permanent overtime legislation.

Senator MEAD. Yes.

Mr. ALIFAS. We take the view that the leveling up process is much better; it is sounder. When you repeal existing labor legislation at the same time that you enact over-all legislation, there is danger of limitations being put upon perfectly good labor laws, secured by

labor over many years. So we prefer that all legislation covering the subject should aim to benefit those who have not been covered by overtime legislation, instead of wiping out all existing law on the subject in the process of rebuilding from the ground up.

Senator MEAD. In other words, the Government is just continuing for Federal employees what it demanded of private industry when it passed the Walsh-Healey Act and the Bacon-Davis Fair Labor Standards Act or other legislation at that time. It forced the other fellow to do what it refused to do itself. It wasn't that the justice of the matter appealed to it, but only when it was difficult to recruit employees to do its own work.

Mr. ALIFAS. That is right, and we are particularly anxious that it should be definitely understood that there is going to be no tampering with existing permanent overtime legislation because it would be very disturbing to the working forces not only in the Government service, but it would disturb employees in private industry regardless of whether overtime pay is the most exact justice that can be achieved; that is the way we are working now. We are getting along fairly well; the working population is turning out munitions better than any nation; why disturb it by trying to get something that perhaps would be exactly right?

Senator MEAD. Have you any figures as to the efficiency of the American worker as compared with the European worker? I remember some years ago the efficiency of the American worker was so much better as would enable him to do in 36 hours what the European worker did in 48 hours.

Mr. ALIFAS. I am sorry—

Senator MEAD (interposing). Have you any up-to-date figures along that line?

Mr. ALIFAS. I am sorry, I haven't any up-to-date figures. As a matter of fact, we haven't any ready access to a great deal of Europe at the present time. We are trying to get some access to it.

Senator MEAD. Access?

Mr. ALIFAS. Yes, and we can't find out what is going on, but the general impression is that, judging by the results, the American worker is so much more efficient; and that our system of doing business is so far superior to any other in existence in any part of the world.

Senator MEAD. That is correct.

Mr. ALIFAS. So, Mr. Chairman, we hope for the sake of expediting this bill that there will not be too many changes made in it. Senator Burton spoke a while ago about the desirability of changing from an overtime basis to a bonus basis. That, of course, would change the existing setup and even though a bonus would be more just—which we don't think it is—it still would be inadvisable at the present time. We are going up against a date, a deadline.

It is like a man about to be executed. I have never been in that position, Senator, but I presume that when a man is being strapped into the electric chair and they are reaching for the switch and they then give him a reprieve just before they pull the switch, he has suffered all the agonies of execution; and, similarly, these people who are waiting now get overtime only until April 30. The closer they approach April 30 without any legislation being enacted, the

more uneasy they will become; and they can't work in such a way as to put their entire attention on the job. So, we hope that this bill will go through substantially as you have it.

Senator MEAD. Substantially as written.

Thank you very much, Mr. Alifas.

Now, we would like to hear from Mr. A. C. Cardinal, president of the Springfield Armory Lodge No. 431, American Federation of Government Employees.

We are completing our hearings on time and I think we will be able to hear everybody this morning.

Mr. Cardinal, you may present your statement.

STATEMENT OF A. C. CARDINAL, PRESIDENT, SPRINGFIELD ARMORY LODGE, NO. 431, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. CARDINAL. Mr. Chairman, Senators, I haven't very much to add to the general aspect of the case. When they sent us down here I thought we were the only orphans.

We are in the field of industry plants. We make the Garand rifle that the boys are using in this war and which they like so much. It is a highly skilled job to make the rifle. It calls for very close tolerances and almost watchmaker precision. The fellows affected under this salaried group are the engineers, the draftsmen, technicians, metallurgists—the people who really make a good gun or a poor gun.

It has been an awful job to hold them on the job. The plant is in the Connecticut Valley and it is called the Arsenal of Democracy because it is the center of war production. Within a 35-mile radius the employees have a choice of war jobs—United Aircraft, Wesson, Colt are in that industry area.

Senator MEAD. Here you talk about a certain group of employees as being desirous of coming under the provisions of this bill. You mention their names. Are there any other employees?

Mr. CARDINAL. Naturally, there are clerical employees who have been considered and discussed.

Senator MEAD. The clerical force and, you might say, the professional group.

Mr. CARDINAL. And the professional group all the way through.

Senator MEAD. The mechanics, for the most part, come under the wage boards?

Mr. CARDINAL. Yes, and that is what makes the difficult situation because we find a man, a plant planning engineer, passing plans over to some mechanic, oftentimes an apprentice mechanic, who is getting far more remuneration than the engineer. These fellows have had expensive training and are college graduates and have had many years of training in the line of work they are doing. Due to the lack of proper overtime provisions they haven't been receiving compensation in accordance with the number of hours they are held on the job. Since they are few in number they now work in the Government arsenal 54 and 56 hours. For a number of—for a period of time, they worked that shift and within that very short time we lost several valuable men whom we will never get back. They were a bit

disappointed when this substitute resolution provided for a figure on the old 360 basis, which, of course, is actually not overtime.

Now, they are in full belief and they want me to convey the opinion that this bill is going through on the basis of 260, that is, usual time and a half.

Senator MEAD. That is the same basis upon which the other employees of the arsenals are now paid.

Mr. CARDINAL. That is exactly the way they figure in the per diem groups.

Senator MEAD. What about the employees in private industry in the Connecticut Valley that you talk about?

Mr. CARDINAL. They figure full time and a half on the basis of hourly or daily pay.

Senator MEAD. So that they get actually time and a half.

Senator BURTON. That applies to monthly and annual employees as well as per diem?

Mr. CARDINAL. That's right, in every case, so that although base pay could in some instances be the same, still the Government worker loses by the method of figuring so that we think it is vitally necessary to change that method of figuring if you are going to keep any of the skilled workers who are left.

Senator MEAD. Have you any ideas on that \$5,000 limitation?

Mr. CARDINAL. That has been discussed and a lot of folks up there were glad to see that it was not included in S. 635, and we would like to have the \$2,900 raised. We couldn't see any logical reason for putting in the \$2,900. Perhaps, it was a figure pulled out of the air or it took considerable considering. Nevertheless, the figure doesn't affect the most valuable employees; their figures run about \$3,000, \$3,200, and \$3,800, and we think there is no one under it—in other words, if that was put in there just to limit supervision from building up their own earnings and holding them on the job extra hours, the armory under this \$5,000 limitation still does not have the power to order them to work extra hours. They are under the supervision of Army officers. If there is any reason, it is not necessary. I don't think it is necessary in the case of a Government arsenal. I don't know what it is for, but it does cut down the earning power of these technical employees and they are the ones that are vitally concerned and with whom we are critically concerned because they cannot be replaced. You can't take a boy off the street. We can't make a technician out of him overnight. We are having great success in the training of women; they can operate machines, they are truck drivers and they can do just about everything under control it seems, with the exception of that technical group who require long years of experience, and we are losing that group.

I had quite a file of case histories and I showed them to Mr. Clason and they impressed him to see how these men started with a \$2,000 job and very soon got, four, five, six thousand dollars, and we are faced with a situation where the Federal Government cannot get enough workers and they are forced to send the work to other plants and are paying double the amount of money for the work; we have had the report of individuals who left the armory and now are receiving almost twice the pay, who are working on exactly the same plans that they were working on in the armory.

We wondered whether the committee was aware of those conditions, which are undoubtedly repeated in other arsenals and probably in the navy yards. We did want to have that information brought down to you. I think that covers us on it. We would like to see the \$2,900 level raised, if possible, but we definitely would like to have proper time and a half.

Senator MEAD. What about the turnover now among the employees that you speak for?

Mr. CARDINAL. It is altogether too large, Senator.

Senator MEAD. Is it continuing?

Mr. CARDINAL. It is continuing and I don't know just the way to stop it until such time as the Government pays as much as the man across the street. There are some of those employees who are, of course, old timers. They have the length of service that they don't like to throw away and they will continue to work. Some of the other fellows feel that they are at the top of their career, and it is just a matter of making hay while the sun shines.

Senator MEAD. Any questions, Senator Burton?

Senator BURTON. No.

Senator MEAD. Thank you very much, Mr. Cardinal.

Mr. Edgar G. Brown, president of the United Government Employees. Mr. Brown.

STATEMENT OF EDGAR BROWN, PRESIDENT OF THE UNITED GOVERNMENT EMPLOYEES AND DIRECTOR, NATIONAL NEGRO COUNCIL

Mr. BROWN. Mr. Chairman and Senator Burton. We have long presented the need for a \$1,500 minimum annual wage for all Federal and District employees. If that could be accepted as base pay in this particular legislation it would be equivalent to a \$300 bonus as authorized under the present emergency legislation. It is very simple. It seems to me without having to revamp the whole program—

Senator MEAD (interposing). That is for all full time employees?

Mr. BROWN. Yes; that is right, sir.

Senator MEAD. Some time ago we brought the custodial workers up to a minimum of \$1,200.

Mr. BROWN. Yes, sir; we are very grateful to you for that, Mr. Chairman, and I know how very active you were personally, also Senator Burton and other members of the committee. We have found that it has been most helpful to these long-forgotten low-paid workers. I received a letter a few days ago from Mr. Thompson, a custodial worker in Detroit working in the post office who is receiving \$1,600 and he says that unless this bill goes through he will need an additional \$500. It is his belief that \$2,100 a year is needed for a family of four to live in Detroit.

Senator MEAD. It would require that very easily.

Mr. BROWN. Certainly, \$1,500 is really a very low minimum to set at this time. It does seem you would barely compensate these custodial workers who are at this \$1,200 base now to give them a flat \$300 increase.

Senator MEAD. If that postal legislation passes he will get \$300 as a bonus which will bring him up to \$1,900 from \$1,600 and then he

will get the 8 hours overtime which will actually give him the \$2,100.

Mr. BROWN. I wish that could be possible for all custodial workers, especially in New York, Washington, and Cleveland, and other metropolitan areas, where the cost of living is ever mounting higher and higher.

Senator MEAD. The Post Office Department has a help wanted sign out all the time for custodial workers. In fact, in some places they are employing women to do work formerly done by men.

Mr. BROWN. Yes; but right here in Washington they are reluctant to employ available colored women. There is one other very serious matter that has been brought to our attention during the hearings on the House side, Mr. Chairman and Senator Burton. One of the witnesses speaking for the union representing the mechanics of the Navy Department didn't answer the question that was propounded by one of the Congressmen as to whether American citizens who happened to be of the colored race were admitted into the union and thereby into the benefits of this particular skilled employment, since these skilled workers maintain a closed shop in the Navy yards. I was interested in the fact that both of the members of the committee were in the Machinists Union. In the constitution there is no limitation based on race, but the unwritten law and practice has been discriminatory. The whole record of the machinists organization is that they do not admit Negro mechanics, and we feel that that is particularly despicable at the present time. There is a real manpower shortage. Many Negro apprentices could do the needed skilled work, but the unions say "no" and hold up the total war effort.

I was also interested about the illustration of the electric chair and the mental state of one about to be electrocuted, because, after a Negro prepares and serves his country, as many of us did in the last World War, and 450,000 colored servicemen are now serving, it is rather a tragic experience to come back only to be stopped from building necessary ships at the United States navy yard or arsenal where the American Federation of Machinists' Union insists on a closed shop, and deny Negroes, regardless of their apprentice training, experience, and dire need for such skilled services, membership, and thereby employment.

These unions get these favored benefits under the Federal Government and legislation passed by Congress. Should they be permitted today in World War II to have the right to discriminate against American citizens because of their race? I think something should be put in this bill, since we have been trying very hard for 50 years to do something about it. The President's Fair Employment Committee has had hearings with the American Federation of Machinists officials, and they are still unyielding and unwilling, and, even in these trying times, when there are such shortages of help for skilled men, to open its membership to Negroes and are thereby denying to them these skilled jobs and better wages in these positions in the navy yard of the United States Government. It seems tragic and despicable that any decent type of citizen would insist on that kind of an attitude at this time; and there seems to be no way to stop it, except to write it into this legislation, that such unions will not be entitled to the benefits of overtime and closed union shops unless they are willing to give to all of the citizens the same rights that they expect

to have for their own protection and security. I don't think that is an unreasonable position to take in these particular times under the circumstances.

The Secretary of War, Mr. Stimson, just released the fact that 450,000 young colored men are in the armed services all over the world with four or five million of their fellow Americans, and, certainly, here at home there ought to be some evidence of the practice of democracy for those patriotic citizens of the United States who, like Crispus Attuck pictured in that striking mural in the Senate Appropriations room under the dome of the Capitol, which shows this Negro in 1770 striking with a club at the Redcoats painted there; white men with stones and guns are behind him. He was out in front leading the way for liberty and independence. On the opposite wall is a picture of George Washington. He is the only one standing there serenely, while soldiers are around the dying embers of a fire at Valley Forge, shivering in the cold, barefooted. This Negro shows no fear of combat or unwillingness to give his life as he did, the very first for the American way of life, for which the Nation struggles in a global conflict today. It does seem a travesty that the President has to appoint a Fair Employment Practices Committee to try to get an opportunity for Negroes to work with this dire shortage of manpower. It isn't always on the part of industry, but more because of such unions as the machinists of the A. F. of L. who want the New Deal and ask this protection rightly for labor, but still discriminate and deny equal justice to American citizens because of race and color.

I think Senator Mead and Senator Burton that the two of you having made such singular contributions to the advances of labor and to the public welfare, as statesmen and having been members in the machinists' union, I hope that you can use your moral influence and congressional powers as well with men who represent the machinists' union, and other great organizations in this city largely protected by Federal laws, that they shall not be able to use their power against one-tenth of the citizenry who happen to be Negroes.

Senator MEAD. Have you taken this matter up with the President's Fair Labor Practices Committee?

Mr. BROWN. Yes, sir; and they have had hearings with the machinists' union and they are still adamant and defiant. This witness today, who testified here, representing the machinists' union, wouldn't even answer the specific questions of a Congressman as to whether they did permit Negroes to work in the navy yards, or deny them membership in the union.

We know that they don't. I have had numbers of Negroes right here in Washington tell me that they worked for years in apprenticeships, at the navy yards, come right up to the point of being promoted in line with their skills; but are stopped by this un-American practice. I think that when they are refused admission to the union that that is executing them; that is bringing a man as near to the gallows as you can bring him. I wonder if the machinists' spokesman ever had this kind of an electrocution? A Negro works for years trying to make good and is told by a labor union that is benefiting itself from the protection of the Federal Government that they won't let him enter, and therefore he is denied the chance to carry on and work for his Government. The Nazis could do no worse. It is

unpardonable and terrifying in a democracy. I believe if you put into this bill that all those who benefit from the present overtime and the proposed overtime and other compensation and union benefits from Federal laws shall not discriminate against any American on account of race, creed or color that will help put an end to it. You know, Senator, you wrote that into the basic civil service law and the Ramspeck bill so actually, they are now in violation of the civil-service law and the Constitution; and it is like the gentleman said here about the provisions of last year's law—they haven't been carried out under the present operation of the law. We had to work several months to get the \$1,200 accepted as a minimum wage in many agencies. It seems you can't be too specific in this legislation to assure an administrator carrying it out, promptly and completely.

Senator MEAD. Are members of your group denied membership in the American Federation of Government Employees or the United Federal Workers organization?

Mr. BROWN. I am not familiar with those organizations as far as their membership is concerned. It is just like the machinists' organization. There is nothing in the constitution of the machinists' union. It is very subtly put over, like Jap treachery. They just exclude them, without admitting it publicly.

Senator MEAD. I was just wondering whether you had any representation in those Federal employee groups that matter of this kind could be taken up and discussed.

Mr. BROWN. We think that we have accurately presented the matter and we are authorized to represent the colored people's interest. We have done it for the 7 years that we have been here to the best of our ability. We found when we came here that there was little or nothing being done for the low-paid group and those disadvantaged because of race and color. Through direct action and the interest of you, Mr. Chairman, and other Senators like you, Senator Burton, and others on this committee and in the Congress, we have made some headway in getting some minimum laws and other considerations. Now we come to the point where the United States Government, its N. Y. A. training programs, and the appropriations grants to land-grant colleges for the training of Americans is being wasted because of this kind of conduct. The manpower people are importing Mexicans to take jobs while Negroes are buying War bonds; are fighting for democracy; making their fullest contributions, and yet we import Mexicans to meet this situation, and here are the unions discriminating against people who want to work. We think the Congress and this committee, as well as the Government ought to take action now. It is greatly impeding the war program to allow such conditions to continue.

Senator MEAD. We have in many of our groups those people who are only identified with governmental activities, for instance, the Customs Service organization; the immigration inspectors' organization, the postal letter carriers. I was wondering if there was any discrimination with regard to color in those groups that are identified solely with the Government?

Mr. BROWN. Yes; several of the postal groups deny memberships to Negroes, too. Negroes have been compelled for their own protection to organize, because they were excluded from certain of the

other postal groups. In these particular A. F. of L. unions colored workers are discriminated against because of race. They are not considered in the body of the membership over in the Treasury Department. In the Bureau of Engraving they have a strictly white printer's union, I am informed. They have excluded Negroes over the years from membership in it and therefore denied them opportunities for places and positions as printers and the better-paid positions in the Bureau of Engraving. It is a very vital subject that you are inquiring about and I wish you would get more information on it and thereby be able to put such language in this law that will put an end to this kind of discrimination at this time, particularly, as a war measure.

MR. STENGLE. Senator Mead, you asked a question about by organization. We have hundreds of colored men. The A. F. of L. has hundreds of members. Mr. Brown said that the unions discriminated against the Negroes. In the city of Atlanta there is a letter-carriers' union which is controlled exclusively by the colored people and they refuse admission to white people.

SENATOR MEAD. I know in my own State that both Negroes and whites are members of the postal carriers. I just wanted to know if it was widespread.

MR. BROWN. We don't draw the color line and have never excluded white people or anyone else in Government service in the United Government Employees for whom I speak. We probably have as many workers of one race as the other. I think it is atrocious that in any section of the country, Atlanta or anywhere else that there would be any line drawn on American citizens as to whether they were Negroes or Catholics or Jews or anything else if they are patriotic loyal American citizens. The American Federation of Labor does have some Negro members, but they are in what I call and what I referred to as separate or "Jim Crow unions," made up exclusively of Negro workers. I noticed one union that was represented here this morning. They have members of both races. They do not draw the color line in practice as far as the Government employees are concerned.

You probably know that this is a very important problem. One of the Congressmen brought this question up in the House and he said that a large number of white women coming up from Alabama and other Southern States wouldn't come to work here in Washington because they had to work in the same room with Negroes. Out on the battlefield they are all fighting together and dying together for democracy and I don't see any particular reason why if any of these persons are obnoxious or have any disease why they should not be isolated in an institution for such afflictions, but if they are in good health, I don't see why they should be held up to such discrimination because they are trying to do their bit to help win the war in the Government or elsewhere. I agree, Mr. Chairman, it doesn't happen in New York where they have a civil rights law and enforce it and where nothing has ever happened about it. Banquets have been given in your honor and all citizens have been there and so there is no reason why it couldn't be encouraged in Washington, Atlanta, and elsewhere. It would result in the passage of just laws, and an administration that would enforce them. We are fighting

for justice—I know that the boys I talked to of the colored race, and I know when I was fighting in the last war that is what I believed with all my heart that we were fighting for, and I am convinced that is what we are fighting for now. I am persuaded that unless this is true, we are all lost. There was a time when Madam Chiang Kai-shek a gentlewoman of the yellow race, might not have received the attention she did by the Congress and the White House. But we have forgotten all that now in the present situation of trying to save our way of life, Christianity, and civilization as we know it. We don't believe it is a good example to set for the Government or the American Federation of Labor or anybody else to oppose what men are fighting for and dying, and making every sacrifice. I think it is up to the Congress to point the way in that regard, and the administration of the President's Fair Employment Committee indicates that the President senses the importance of this problem, and I hope the Congress will write in this specific law that there shall be no discrimination or segregation of the American workers.

I hate prejudice and intolerance.

Two young Negro women working at the Pentagon Building got off at midnight and took a bus. They were tired. There were no seats in the back and there were several seats in the front of the bus and they were thinking of the boys afar off perhaps. They had worked their 9 hours for the Government and they sat down, and the bus driver wouldn't move; they called the police and took them to jail and kept them incommunicado for the night and wouldn't permit them to call anyone even for the purpose of getting bail.

Senator LANGER. For what?

Mr. BROWN. For violating the Jim Crow laws prohibiting colored Americans, even if working for Uncle Sam from sitting in the front of the bus.

Senator LANGER. Here in Washington?

Senator BURTON. You mean outside of the District.

Mr. BROWN. At the Pentagon Building.

Senator BURTON. But there is no so-called discrimination in the District—no so-called Jim Crow laws in the District?

Mr. BROWN. But Virginia is in the United States and we don't see any reason why any Government employees should be put in jail. We should not have the Gestapo methods here but that is what these young colored women experienced.

Senator LANGER. Let me get that straight: In this bus over there, part of the bus is for the Negroes and part for the whites?

Mr. BROWN. That's right.

Senator LANGER. These two Negro girls sat down in the white part?

Mr. BROWN. They sat down in the only vacant seats in the bus. They didn't know. One of them happened to be from Pennsylvania and the other one from New York, where they practise the Golden Rule, and treat their fellow citizens in a civilized way. I happened to be in a church, Sunday in Philadelphia where a lady, an aunt of one of the girls, came forward and asked what we were doing about it. I told her that it had been taken up with the Civil Rights Department of the Department of Justice.

Senator LANGER. And they put them in jail?

Mr. BROWN. That's right, and they wouldn't even let them telephone to friends so that they could put up a bond.

Senator LANGER. You say you saw the Attorney General about it—the Department of Justice?

Mr. BROWN. I believe the Attorney General knows about it.

Senator LANGER. Whom did you see there?

Mr. BROWN. The gentleman in charge of civil rights.

Senator LANGER. Who is he.

Mr. BROWN. I have forgotten his name.

Senator LANGER. Will you go to see Rotman in the Department of Justice, tell him about it, and have him write me a letter?

Mr. BROWN. Yes, sir. This will do a great deal to improve the morale of the 13,000,000 Negroes. As you know, a number of them have been brought to trial and accused of subversive activity and Congress now has before it the firing of certain Negroes who had their names on a mailing list for Communist publications.

Senator LANGER. Could you see this man Rotman this afternoon?

Mr. BROWN. Yes, sir.

Senator LANGER. And to let me hear from him.

Senator MEAD. I am also interested in that as it pertains to a New York girl.

STATEMENT OF JESSE BYRON MANBECK, PRESIDENT, COLUMBIA TYPOGRAPHICAL UNION, NO. 101

Mr. MANBECK. I am president of the Columbia Typographical Union, No. 101, and I want to correct the record on Mr. Brown's statement of the printers. They are really pressmen because in our union we have colored members—the Typographical Union.

Senator MEAD. You have.

Mr. BROWN. I said the Bureau of Engraving.

Mr. MANBECK. These fellows are pressmen and not printers. They are members of the Plate Printers' Union which is a pressman's union. He called them printers.

Senator MEAD. Is there a distinction?

Mr. MANBECK. Yes; because we have 25 printers up there, but 2 of them are members of the Typographical Union. He is not referring to them. He is referring to the pressmen, Frank Coleman's union.

Senator MEAD. Printers, according to your information, do not discriminate?

Mr. MANBECK. No; we have members of the colored race actually working at the trade in the Government Printing Office and throughout the country. We even have some retired on the Government pension rolls.

Mr. BROWN. Would you ask him if they have anybody in the Bureau of Engraving?

Mr. MANBECK. We have 25 members and none of them are members of the Typographical Union. We have them working up there; we have no bias up there and we accept them as journeymen.

Senator BURTON. As I understand it, there is in our civil-service law a provision against discrimination. That covers the issue involved and to put it in here would almost indicate a lack of faith

of what is already in there, and it seems to me that there is much to be said for emphasizing that it is in violation of existing law, but not to enact or reenact an existing law. I wish just to correct the record. I think Mr. Brown got the impression from the fact that I was an electrical lineman's helper that I was a member of the Machinists Union. I was a helper rather than a member of the Electrical Workers Union at that time.

Senator MEAD. Go ahead, Mr. Bussier.

STATEMENT OF THOMAS P. BUSSIER, SECRETARY, UNITED NATIONAL ASSOCIATION OF POST OFFICE CLERKS

Mr. BUSSIER. I would like to file this grievance report. I represent the United National Association of Post Office Clerks. We are not included in this bill. We are excluded and I am hopeful that we will be included when you report out an amended bill.

Senator BURTON. You are covered by this new bill, S. 360, is that right?

Mr. BUSSIER. We are not covered by that, we are covered by 635. Senator BURTON. Are you asking to be in both bills?

Mr. BUSSIER. The point is this, Senator. We don't know what is going to happen in the other bill. We want to be on the safe side.

Senator LANGER. You want to be in both.

Mr. BUSSIER. Yes; we don't know what is going to happen in both.

Senator BURTON. You prefer to be in S. 360?

Mr. BUSSIER. This bill would be all right.

Senator BURTON. Which one would you rather be in?

Mr. BUSSIER. This one because this bill provides for the overtime while 360 does not provide for the overtime. It continues to go back to the old rate of 360 days.

Senator BURTON. I was under the impression that they were in favor of 360.

Senator MEAD. There is probably a division.

Mr. BUSSIER. I might call your attention to the fact that the Comptroller General has ruled that S. 170, the present overtime law, supersedes the 8- to 10-hour law and as a result of that postmasters are abusing the provisions of that law. I won't say abusing, but they are extending the tours of the employees from 8 to 10 hours which they have had for the last 25 years to 8 to 11 and 12 and 8 to 13, extending the working day and also some of our members under the provisions of this new law are not being paid for the overtime on a daily basis which they paid under the 8- to 10-hour law. An employee may work 9 hours a day, Monday, Tuesday and Wednesday and Thursday, making a total of 36 hours and on the following Friday and Saturday he becomes on a nonpay status; has no sick or annual leave; he has worked 1 hour overtime on each day and there he has worked 9 hours but under this new law he does not receive payment for the 4 hours which he would have received under the 10-hour law. There is nothing in S. 170 which stated or modified the 8- to 10-hour law which we have had on the books since 1913, but the Comptroller General has ruled and I hope that the committee will take that into consideration and in the preparation

of the bill some consideration will be given to providing the overtime on a daily basis instead of a weekly basis.

Senator BURTON. If you were going to be included in this new post office bill, S. 360, that issue would not arise.

Mr. BUSSIER. No.

Senator MEAD. Thank you very much, Tom.

We shall insert the statement in the record.

(Pursuant to the direction of the chairman the statement follows:)

My name is John J. Barrett, president of the United National Association of Post Office Clerks, and chairman of the national legislative council of Federal Employee Organizations.

S. 635, the bill now under consideration, exempts postal employees in the field service from its provisions. I believe the reason for this exemption is due entirely to the fact that the administering of Senate Joint Resolution 170 in the field service of the Post Office Department has brought about a chaotic condition in the field service. When Congress enacted Senate Joint Resolution 170 it was generally understood that all it would do was to pay overtime to all employees at a time-and-one-half rate on a 360-day-a-year basis. This, in itself, seemed simple enough to do; however, the Post Office Department for reasons best known to itself requested the Comptroller General for an interpretation of the law. As a result of his decisions we found to our great regret that many of the benefits enjoyed for years by the postal employees had been lost to them. Outstanding among the losses was to be found in the Reilly 8-in-10 hour law made effective July 1, 1913, 30 years ago. Senate Joint Resolution 170 rendered the Reilly 8-in-10 hour law null and void. We know from talks with members of your committee and the Post Office Department officials that it never was the intent of the Congress to nullify the Reilly law. It means so much to the postal employee. Prior to its enactment it was the practice of postmasters to order an employee to report for work at 6 a. m. in the morning, work him 1, 2, 3, or 4 hours, swing him until 6 p. m. at night to finish his 8 hours. This meant that it required 16 hours for the employee to perform 8 hours work. The Reilly 8-in-10 hours never did prevent an employee from working overtime if the exigencies of the service required it.

The principle of time and one-half for overtime on the actual working hours has become the law of the land. Why exclude postal employees from its benefits?

If this committee will accept two amendments to this bill, I believe it can be made to work satisfactorily to the Department of the Government and to the employees of the field service.

Amendment No. 1: Insert a provision protecting the Reilly 8-in-10 hour law.

Amendment No. 2: Pay overtime on a daily rather than a weekly basis.

Senator MEAD. We have had a very patient young lady with us here; Mrs. Margaret Hopkins Worrell.

STATEMENT OF MARGARET HOPKINS WORRELL, PRESIDENT, AMERICAN LEAGUE OF CIVIL SERVICE

Mrs. WORRELL. Mr. Chairman, and Senators, I just wanted to say that we are the oldest organization outside of the National Federation of Federal Employees and the only ones who have officers who don't receive any compensation, and we are very delighted to think that we can come before such a sympathetic committee. I feel that it is hard for you to write a bill that is acceptable to everybody. It is a very difficult matter. But we are in favor, generally, of this bill and as I listened very carefully to what Mr. Stengle had to say, I think we can endorse what he said. Thank you very much.

Mr. STENGLE. I would like to place in the record the name of Lewis G. Hines, national legislative representative of the American Federation of Labor, who was here this morning and had to leave, and he asked me to represent the A. F. of L.

Senator MEAD. All right, it will be made part of the record. Does anybody else want to say anything for the record? If not, the session is over.

The letter from Jesse B. Manbeck to Senator Sheridan Downey will be received as an exhibit.

(The copy of the letter referred to was received and is on file with the committee.)

Senator MEAD. A meeting of the subcommittee will be held at 10 o'clock Friday morning, and the full committee at 10:30 o'clock Friday.

(Whereupon, at 12 o'clock, the committee adjourned to 10 o'clock Friday morning.)

S. 836

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1943

Mr. LODGE (by request) introduced the following bill; which was read twice
and referred to the Committee on Civil Service

A BILL

To provide for the payment of overtime compensation to
Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-
11 cers and employees in the field service of the Post Office

1 Department; (e) employees whose wages are fixed on a
2 daily or hourly basis and adjusted from time to time in
3 accordance with prevailing rates by wage boards or similar
4 administrative authority serving the same purpose; and (f)
5 employees outside the continental limits of the United States,
6 including Alaska, who are paid in accordance with local
7 prevailing native wage rates for the area in which employed.

8 SEC. 2. Officers and employees to whom this Act ap-
9 plies shall be paid overtime compensation for work in excess
10 of forty hours in any administrative workweek at a rate
11 of one and one-half times their basic rates of compensation:
12 *Provided*, That no overtime compensation shall be paid on
13 any portion of an officer's or employee's basic rate of com-
14 pensation in excess of \$2,900 per annum: *And provided*
15 *further*, That in computing the overtime compensation of
16 per annum officers and employees, the base pay for one day
17 shall be considered to be one two-hundred-and-sixtieth of the
18 respective per annum salaries, and the base pay for one hour
19 shall be considered to be one-eighth of the base pay so com-
20 puted for one day.

21 SEC. 3. Officers and employees to whom this Act ap-
22 plies and whose compensation is based upon other than a
23 time-period basis, or whose hours of duty are intermittent,
24 irregular, or less than full time, storekeepers in the Bureau
25 of Customs whose administrative workweek is forty hours

1 a week and when working forty hours or less in any admin-
2 istrative workweek, or those whose administrative work-
3 week is forty hours or less a week, and officers and em-
4 ployees in or under the legislative and judicial branches to
5 whom this Act applies, shall be paid additional compensa-
6 tion, in lieu of the overtime compensation authorized under
7 section 2 of this Act amounting to 15 per centum of so much
8 of their earned basic compensation as is not in excess of a
9 rate of \$2,900 per annum.

10 SEC. 4. The Act approved February 10, 1942 (Public
11 Law Numbered 450, Seventy-seventh Congress), and sec-
12 tion 4 of the Act approved May 2, 1941 (Public Law
13 Numbered 46, Seventy-seventh Congress), as amended, are
14 hereby repealed.

15 SEC. 5. The provisions of the Saturday half-holiday
16 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.
17 26 (a)), are hereby suspended for the period during which
18 this Act is in effect.

19 SEC. 6. The provisions of this Act shall not operate to
20 prevent payment for overtime services in accordance with
21 any of the following statutes: Act of February 13, 1911,
22 as amended (U. S. C., title 19, secs. 261 and 267) ; Act
23 of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.
24 394) ; Act of June 17, 1930, as amended (U. S. C., title
25 19, secs. 1450, 1451, and 1452) ; Act of March 2, 1931

1 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b) ;
2 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
3 title 46, sec. 382b) ; Act of March 23, 1941 (Public Law
4 Numbered 20, Seventy-seventh Congress) : *Provided*, That
5 the overtime services covered by such payment shall not also
6 form a basis for overtime compensation under this Act.

7 SEC. 7. Within thirty days after the effective date of this
8 Act, and every ninety days thereafter, the heads of depart-
9 ments and agencies in the executive branch, whose employees
10 are affected by the provisions of this Act, shall present to
11 the Director of the Bureau of the Budget such information
12 as he shall require for the purpose of justifying the number
13 of employees in their respective departments or agencies.
14 If any such department or agency fails to present such in-
15 formation or if, in the opinion of the Director, the informa-
16 tion so presented fails to disclose that the number of such
17 employees in any department or agency is necessary to the
18 proper and efficient exercise of its functions, the personnel
19 of such department or agency shall be reduced, upon the
20 order of the Director, by such number as the Director finds
21 to be in excess of the minimum requirements of such depart-
22 ment or agency. Upon the expiration of thirty days from the
23 date of issuance of such order by the Director, the provisions
24 of sections 2 and 3 of this Act shall cease to be applicable
25 to the employees of the agency affected by such order, unless

1 and until the head thereof has certified to the Director that
2 such order has been complied with. The Civil Service Com-
3 mission is authorized to transfer to other departments and
4 agencies any employees released pursuant to this section,
5 whose services are needed in and can be effectively utilized
6 by such other departments or agencies.

7 SEC. 8. The Civil Service Commission is authorized and
8 directed to take such action and to promulgate such rules
9 and regulations as may be necessary and proper for the
10 purpose of coordinating and supervising the administration
11 of the provisions of this Act, and for the purpose of adjust-
12 ing present methods of converting annual rates of pay into
13 daily and hourly rates for all purposes so as to conform with
14 the method prescribed by this Act.

15 SEC. 9. This Act shall take effect on May 1, 1943, and
16 shall terminate on June 30, 1945, or such earlier date as
17 the Congress by concurrent resolution may prescribe.

18 SEC. 10. This Act may be cited as the "War Overtime
19 Pay Act of 1943".

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

By Mr. Lodge

MARCH 5, 1943

Read twice and referred to the Committee on
Civil Service

Calendar No. 141

78TH CONGRESS
1ST SESSION

S. 635

[Report No. 142]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 1943

Mr. MEAD introduced the following bill: which was read twice and referred to the Committee on Civil Service

MARCH 26 (legislative day, MARCH 23), 1943

Reported by Mr. MEAD, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-

1 ments, independent establishments, and agencies; (d) offi-
2 cers and employees in the field service of the Post Office
3 Department; (e) employees whose wages are fixed on a
4 daily or hourly basis and adjusted from time to time in
5 accordance with prevailing rates by wage boards or similar
6 administrative authority serving the same purposes; and (f)
7 employees outside the continental limits of the United States,
8 including Alaska, who are paid in accordance with local
9 prevailing native wage rates for the area in which employed.

10 SEC. 2. Officers and employees to whom this Act ap-
11 plies shall be paid overtime compensation for work in excess
12 of forty hours in any administrative workweek at a rate
13 of one and one-half times their basic rates of compensation:
14 *Provided*, That no overtime compensation shall be paid on
15 any portion of an officer's or employee's basic rate of com-
16 pensation in excess of \$2,900 per annum: *And provided*
17 *further*, That in computing the overtime compensation of
18 per annum officers and employees, the base pay for one day
19 shall be considered to be one two-hundred-and-sixtieth of the
20 respective per annum salaries, and the base pay for one hour
21 shall be considered to be one-eighth of the base pay so com-
22 puted for one day.

23 SEC. 3. Officers and employees to whom this Act ap-
24 plies and whose compensation is based upon other than a
25 time-period basis, or whose hours of duty are intermittent,

1 irregular, or less than full time, and officers and employees
2 in or under the legislative and judicial branches to whom this
3 Act applies, shall be paid additional compensation, in lieu
4 of the overtime compensation authorized under section 2 of
5 this Act, amounting to 15 per centum of so much of their
6 earned basic compensation as is not in excess of a rate of
7 \$2,900 per annum.

8 SEC. 4. The Act approved February 10, 1942 (Public
9 Law Numbered 450, Seventy-seventh Congress), and sec-
10 tion 4 of the Act approved May 2, 1941 (Public Law
11 Numbered 46, Seventy-seventh Congress), as amended, are
12 hereby repealed.

13 SEC. 5. The provisions of the Saturday half-holiday
14 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec-
15 26 (a)), are hereby suspended for the period during which
16 this Act is in effect.

17 SEC. 6. The provisions of this Act shall not operate to
18 prevent payment for overtime services in accordance with
19 any of the following statutes: Act of February 13, 1911,
20 as amended (U. S. C., title 19, secs. 264 and 267); Act
21 of July 24, 1919 (41 Stat. 244; U. S. C., title 7, sec.
22 394); Act of June 17, 1930, as amended (U. S. C., title
23 19, secs. 1450, 1451, and 1452); Act of March 2, 1934
24 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b);
25 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,

1 title 46, sec. 382b): Act of March 23, 1941 (Public Law
2 Numbered 20, Seventy-seventh Congress): *Provided, That*
3 the overtime services covered by such payment shall not also
4 form a basis for overtime compensation under this Act.

5 SEC. 7. Within thirty days after the effective date of this
6 Act, and every ninety days thereafter, the heads of depart-
7 ments and agencies in the executive branch, whose employees
8 are affected by the provisions of this Act, shall present to
9 the Director of the Bureau of the Budget such information
10 as he shall require for the purpose of justifying the number
11 of employees in their respective departments or agencies.
12 If any such department or agency fails to present such in-
13 formation or if, in the opinion of the Director, the informa-
14 tion so presented fails to disclose that the number of such
15 employees in any department or agency is necessary to the
16 proper and efficient exercise of its functions, the personnel
17 of such department or agency shall be reduced, upon the
18 order of the Director, by such number as the Director finds
19 to be in excess of the minimum requirements of such depart-
20 ment or agency. Upon the expiration of thirty days from the
21 date of issuance of such order by the Director, the provisions
22 of sections 2 and 3 of this Act shall cease to be applicable
23 to the employees of the agency affected by such order, unless
24 and until the head thereof has certified to the Director that
25 such order has been complied with. The Civil Service Com-

1 mission is authorized to transfer to other departments and
2 agencies any employees released pursuant to this section:
3 whose services are needed in and can be effectively utilized
4 by such other departments or agencies.

5 SEC. 8. The Civil Service Commission is authorized and
6 directed to take such action and to promulgate such rules
7 and regulations as may be necessary and proper for the
8 purpose of coordinating and supervising the administration
9 of the provisions of this Act; and for the purpose of adjust-
10 ing present methods of converting annual rates of pay into
11 daily and hourly rates for all purposes so as to conform with
12 the method prescribed by this Act.

13 SEC. 9. This Act shall take effect on May 1, 1943; and
14 shall terminate on June 30, 1945; or such earlier date as
15 the Congress by concurrent resolution may prescribe.

16 SEC. 10. This Act may be cited as the "War Overtime
17 Pay Act of 1943".

18 *That this Act shall apply to all civilian officers and em-*
19 *ployees (including officers and employees whose wages are*
20 *fixed on a monthly or yearly basis and adjusted from time*
21 *to time in accordance with prevailing rates by wage boards*
22 *or similar administrative authority serving the same pur-*
23 *pose, except those in or under the Government Printing*
24 *Office or the Tennessee Valley Authority) in or under the*
25 *United States Government, including Government-owned or*

1 controlled corporations, and to those employees of the Dis-
2 trict of Columbia municipal government who occupy posi-
3 tions subject to the Classification Act of 1923, as amended,
4 except that this Act shall not apply to (a) elected officials;
5 (b) judges; (c) heads of departments, independent establish-
6 ments, and agencies; (d) officers and employees in the field
7 service of the Post Office Department; (e) employees whose
8 wages are fixed on a daily or hourly basis and adjusted from
9 time to time in accordance with prevailing rates by wage
10 boards or similar administrative authority serving the same
11 purpose; (f) employees outside the continental limits of
12 the United States, including Alaska, who are paid in accord-
13 ance with local prevailing native wage rates for the area in
14 which employed; (g) officers and employees of the Inland
15 Waterways Corporation; and (h) individuals to whom the
16 provisions of section 1 (a) of the Act entitled "An Act to
17 amend and clarify certain provisions of law relating to
18 functions of the War Shipping Administration, and for other
19 purposes", approved March 24, 1943 (Public Law ,
20 Seventy-eighth Congress), are applicable.

21 SEC. 2. Except as provided in section 3, officers and
22 employees to whom this Act applies shall be paid overtime
23 compensation computed on the same basis as the overtime
24 compensation which was authorized to be paid under Public
25 Law Numbered 821, Seventy-seventh Congress: Provided,

1 *That such overtime compensation shall be paid only on the*
2 *portion of an officer's or employee's basic rate of compen-*
3 *sation not in excess of \$2,900 per annum: And provided*
4 *further, That such overtime compensation shall be paid on*
5 *such portion of an officer's or employee's basic rate of compen-*
6 *sation notwithstanding the fact that such payment will cause*
7 *his aggregate compensation to exceed a rate of \$5,000 per*
8 *annum: And provided further, That in lieu of overtime com-*
9 *pensation for work in excess of forty-eight hours in any ad-*
10 *ministrative workweek, the heads of departments, establish-*
11 *ments, and agencies may in their discretion grant per annum*
12 *employees compensatory time off from duty.*

13 *SEC. 3. (a) Except as provided in subsection (c),*
14 *officers and employees to whom this Act applies and whose*
15 *hours of duty are intermittent or irregular, officers and em-*
16 *ployees in or under the legislative and judicial branches (ex-*
17 *cept those in the Library of Congress, or the Botanic Garden,*
18 *and per annum employees in or under the Office of the*
19 *Architect of the Capitol who are regularly required to*
20 *work not less than forty-eight hours per week) to whom this*
21 *Act applies, and, subject to the approval of the Civil Service*
22 *Commission, officers and employees whose hours of work are*
23 *governed by those of private establishments which they serve*
24 *and for whom on this account overtime work schedules are*
25 *not feasible, shall be paid, in lieu of the overtime compensation*

1 authorized under section 2 of this Act, additional compensa-
2 tion at a rate of \$300 per annum.

3 (b) Except as provided in subsection (c), any officer or
4 employee to whom this Act applies, and who is entitled to no
5 additional compensation under subsection (a), shall be paid
6 for any pay period, in lieu of overtime compensation under
7 section 2, additional compensation at the rate of \$300 per
8 annum, unless his overtime compensation under section 2 for
9 such pay period is at least equal to such additional compensa-
10 tion.

11 (c) Any officer or employee to whom this Act applies
12 and whose hours of duty are less than full time shall be
13 paid, in lieu of overtime compensation or additional com-
14 pensation under the foregoing provisions of this Act, addi-
15 tional compensation at a rate of $12\frac{1}{2}$ cents per hour for the
16 hours which such officer or employee is required to work:
17 Provided, That officers and employees to whom this Act
18 applies and whose compensation is based upon other than a
19 time period basis shall be paid, in lieu of overtime compensa-
20 tion or additional compensation under the foregoing provi-
21 sions of this Act, additional compensation amounting to 10
22 per centum of so much of their earned basic compensation
23 for any pay period as is not in excess of a rate of \$3,000
24 per annum: And provided further, That employees of the
25 House and Senate Restaurants shall be paid, in lieu of over-

1 *time compensation or additional compensation under the fore-*
2 *going provisions of this Act, additional compensation amount-*
3 *ing to 20 per centum of so much of their earned basic compen-*
4 *sation as is not in excess of a rate of \$2,900 per annum.*

5 *SEC. 4. The provisions of section 3 of this Act shall*
6 *apply to the official reporters of proceedings and debates of*
7 *the Senate and their employees; and the provisions of the*
8 *Civil Service Retirement Act, approved May 29, 1930, as*
9 *amended, shall be applicable to any such official reporter or*
10 *any such employee upon application therefor duly made to*
11 *the Civil Service Commission.*

12 *SEC. 5. The Act approved February 10, 1942 (Pub-*
13 *lic Law Numbered 450, Seventy-seventh Congress), and*
14 *section 4 of the Act approved May 2, 1941 (Public Law*
15 *Numbered 46, Seventy-seventh Congress), as amended, are*
16 *hereby repealed.*

17 *SEC. 6. The provisions of the Saturday half-holiday law*
18 *of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.*
19 *26 (a)), are hereby suspended for the period during which*
20 *this Act is in effect.*

21 *SEC. 7. The provisions of this Act shall not operate to*
22 *prevent payment for overtime services in accordance with*
23 *any of the following statutes: Act of February 13, 1911,*
24 *as amended (U. S. C., title 19, secs. 261 and 267); Act*
25 *of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.*

1 394); Act of June 17, 1930, as amended (U. S. C., title
 2 19, secs. 1450, 1451, and 1452); Act of March 2, 1931
 3 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b);
 4 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
 5 title 46, sec. 382b); Act of March 23, 1941 (Public Law
 6 Numbered 20, Seventy-seventh Congress): Provided, That
 7 the overtime services covered by such payment shall not also
 8 form a basis for overtime compensation under this Act.

9 SEC. 8. Whenever the Civil Service Commission shall
 10 find that within the same Government organization and at the
 11 same location gross inequities exist, to such extent as to inter-
 12 fere with the prosecution of the war, between basic per annum
 13 rates of pay fixed under the Classification Act of 1923, as
 14 amended, for storemen, stockmen, or inspectors in or under
 15 the Navy Department, or storekeepers, stockkeepers, inspec-
 16 tors, truck drivers, or elevator operators in or under the
 17 War Department, and the compensation of employees whose
 18 basic rates of pay are fixed by wage boards or similar admin-
 19 istrative authority serving the same purpose, the Commis-
 20 sion is hereby empowered, in order to correct or reduce such
 21 inequities, to establish as the minimum rate of pay for such
 22 class of positions any rate within the range of pay fixed by
 23 the Classification Act of 1923, as amended, for the grade to
 24 which such class of positions is allocated under such Act.

25 SEC. 9. The Civil Service Commission is authorized and

1 directed to promulgate such rules and regulations as may be
2 necessary and proper for the purpose of coordinating and
3 supervising the administration of the provisions of the fore-
4 going sections of this Act insofar as such provisions affect
5 employees in or under the executive branch of the Government.

6 SEC. 10. The heads of departments and agencies in the
7 executive branch, whose employees are affected by the pro-
8 visions of this Act, shall present to the Director of the Bureau
9 of the Budget and to the Congress such information as the
10 Director shall from time to time, but not less frequently than
11 the first day of each quarter, require for the purpose of deter-
12 mining the number of employees required for the proper and
13 efficient exercise of the functions of their respective departments
14 and agencies. The Director shall from time to time, but not
15 less frequently than the thirtieth day after the beginning of each
16 quarter, determine the number of employees so required, and
17 any personnel of any such department or agency in excess
18 thereof shall be released at such times as the Director shall
19 order. Such determination shall be reported to the Congress
20 each quarter. Sections 2 and 3 of this Act shall cease to be
21 applicable to the employees of such department or agency
22 unless the head thereof shall certify within thirty days from the
23 effective date so prescribed by the Director that the number of
24 employees of his agency does not exceed the number determined
25 by the Director to be required for the proper and efficient

1 exercise of its functions. Any determinations and directions
2 made by the Director under the authority of Public Law
3 821, Seventy-seventh Congress, are hereby continued in effect
4 until modified by him. The Civil Service Commission is
5 authorized to transfer to other departments and agencies any
6 employees released pursuant to this section whose services
7 are needed in and can be effectively utilized by such other
8 departments or agencies, and the services of these employees
9 are to be utilized by the departments and agencies before
10 additional employees are recruited.

11 *SEC. 11. Amounts received as overtime compensation or*
12 *additional compensation under this Act shall not be considered*
13 *in determining the amount of a person's annual income or*
14 *annual rate of compensation for the purposes of paragraph*
15 *II (a) of part III of Veterans Regulation Numbered 1 (a),*
16 *as amended, or section 212 of title II of the Act entitled "An*
17 *Act making appropriations for the Legislative Branch of the*
18 *Government for the fiscal year ending June 30, 1933, and*
19 *for other purposes", approved June 30, 1932, as amended.*

20 *SEC. 12. This Act shall not apply to civilian employees*
21 *of the Transportation Corps of the Army of the United*
22 *States on vessels operated by the United States or to vessel*
23 *employees of the Coast and Geodetic Survey, and such em-*
24 *ployees may be compensated in accordance with the wage*
25 *practices of the maritime industry.*

1 *SEC. 13. This Act shall take effect on May 1, 1943,*
2 *and shall terminate on June 30, 1945, or such earlier date*
3 *as the Congress by concurrent resolution may prescribe;*
4 *except that the termination date contained in this section shall*
5 *not be applicable to so much of section 4 as relates to the*
6 *applicability of the Civil Service Retirement Act, approved*
7 *May 29, 1930, as amended, to the official reporters of pro-*
8 *ceedings and debates of the Senate and their employees.*

9 *SEC. 14. This Act may be cited as the "War Overtime*
10 *Pay Act of 1943".*

11 *SEC. 15. The provisions of sections 2 and 3 of this Act*
12 *shall not be applicable to any person who is a member of any*
13 *local union (the members of which are employed in any*
14 *governmental agency) which discriminates against, or denies*
15 *membership to, any person because of race, color, or creed.*

78TH CONGRESS
1ST SESSION

S. 635

[Report No. 142]

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

By Mr. MEAD

FEBRUARY 4, 1943

Read twice and referred to the Committee on
Civil Service

MARCH 26 (legislative day, MARCH 23), 1943

Reported with an amendment

WAR OVERTIME PAY ACT OF 1943

MARCH 26 (legislative day, MARCH 23), 1943.—Ordered to be printed

Mr. MEAD, from the Committee on Civil Service, submitted the following

REPORT

[To accompany S. 635]

The Committee on Civil Service, to whom was referred the bill (S. 635) to provide for the payment of overtime compensation to Government employees, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The major purpose of S. 635 is to provide employees of the Government with additional compensation for the purpose of enabling them to meet wartime living costs. To accomplish this objective the bill would retain, with certain modifications, the overtime and additional compensation features of Public Law No. 821, Seventy-seventh Congress, which took effect on December 1, 1942, and which will expire on April 30, 1943.

The provisions of S. 635 would be applicable to civilian officers and employees of the United States, and to those officers and employees in the District of Columbia municipal government whose positions are subject to the Classification Act of 1923, as amended. Excepted from the application of the bill are elected officials, judges, heads of departments, independent establishments and agencies, postal employees, certain employees outside the continental limits of the United States who are paid at wage rates prevailing in the locality of their employment, officers and employees of the Inland Waterways Corporation, and certain maritime employees under the War Shipping Administration. Hourly and per diem employees whose wages are fixed and adjusted by wage boards or similar wage-fixing authority are not affected by the bill but, under the committee amendment, monthly and annual wage board employees except those in the Tennessee Valley Authority and the Government Printing Office would be brought within the purview of the bill.

Section 2 of the committee amendment adopts, as the basis for overtime computations under the bill, the same basis as was author-

ized under Public Law No. 821, except that it eliminates the ceiling of \$5,000, above which no overtime compensation could be paid under Public Law No. 821. As under Public Law No. 821, however, overtime compensation would be payable only on the first \$2,900 of an employee's salary and, in converting annual rates of pay into daily rates for the purpose of such computation, the work year would be considered to consist of 360 days. Under subsection (b) of section 3, any employee, whose overtime compensation so computed would result in his receiving compensation in addition to his regular pay at a rate of less than \$300 per annum, would receive additional compensation, in lieu of overtime compensation, at a rate of \$300 per annum.

Other groups who would receive the \$300 additional compensation under section 3 in lieu of overtime compensation are full-time officers and employees whose hours are intermittent or irregular, those who are under the judicial branch, and with certain exceptions, those under the legislative branch of the Government. The exceptions include Library of Congress and Botanic Garden employees, and those employees under the Architect of the Capitol who normally work 48 or more hours per week. Full-time employees in such excepted groups would be compensated on the overtime basis, unless their overtime compensation under section 2 amounted to less than the \$300 minimum rate. Part-time employees to whom the act applies would receive an increase corresponding to 12½ cents an hour, and those whose compensation is computed on other than a time period basis would be given additional compensation amounting to 10 percent of their earned compensation, or so much thereof as does not exceed a rate of \$3,000 per annum. Under the last proviso in section 3, employees in the House and Senate restaurants would receive increases amounting to 20 percent of so much of their individual salaries as does not exceed a rate of \$2,900 per annum.

Also, under section 3 (a), an employee whose work is closely related to a private establishment or industry, and whose hours of duty are, therefore, dependent upon the hours of such establishment or industry, may be paid in accordance with the additional compensation provisions where it would not be practicable to require him to work overtime. If, for example, a customs storekeeper or inspector is assigned to duty in a private establishment which is operated on a 40-hour week, it would not be feasible to require him to remain on duty for 48 hours. Under this provision his department or agency, with the approval of the Civil Service Commission, could place him on the 40-hour week and pay him additional compensation at a rate of \$300 per annum in lieu of overtime compensation.

Section 4 extends the additional compensation benefits of section 3 to the official reporters of debates and proceedings of the Senate and their employees, and also permits them to come within the purview of the Civil Service Retirement Act.

Section 5 repeals existing overtime statutes relating to certain employees of the Maritime Commission and the National Advisory Committee for Aeronautics since such employees would be covered by this bill.

Section 6 continues the suspension of the Saturday half-holiday law for the period during which this act would be in effect.

Under existing law, certain inspectional employees who perform services for carriers and other private enterprises for which the

Government is reimbursed, are paid for overtime work performed for the convenience of such carriers or enterprises at night or on Sundays or holidays. Under section 7, these practices would be continued without change, but such overtime could not also be compensated under this bill.

The Civil Service Commission is authorized, under section 8, to fix the pay of storemen, stockmen, and inspectors under the Navy Department, and storekeepers, stockkeepers, inspectors, truck drivers, and elevator operators under the War Department, at any rate within the range of pay fixed for such class of positions under the Classification Act of 1923, as amended, wherever necessary to correct inequities between rates of pay received by such employees and those of employees, at the same location and in the same governmental establishment, whose compensation is fixed by wage boards or similar wage-fixing groups.

Section 9 gives the Civil Service Commission authority to promulgate rules and regulations for the purpose of coordination and supervising the administration of the act insofar as it relates to employees under the executive branch of the Government.

Under section 10, executive departments and agencies are required to furnish quarterly to the Director of the Bureau of the Budget and to the Congress such information as is necessary to enable the Director to determine the number of employees necessary for the proper exercise of the functions of each such department or agency. The Director of the Bureau of the Budget is given authority to order the release of any employees determined to be in excess of the minimum requirements, as determined by him, of any such department or agency, and unless such order is complied with within 30 days from the date fixed in the order for the separation of such employees, the overtime and additional compensation benefits under the act will cease to be applicable to the employees of the department or agency affected by such order. Provision is also made for the transfer to other departments and agencies of any employees released pursuant to section 10 whose services are needed and can be utilized by such other agencies. Moreover, such departments and agencies would be required to utilize the services of transferred employees before recruiting additional employees from other sources.

Under existing laws certain veterans' benefits are not payable if the income of the beneficiary exceeds a certain amount. Section 11 provides that in the administration of these laws the overtime compensation or additional compensation payable pursuant to this act shall not be considered to be income.

Section 12 provides that the provisions of this act will not be applicable to civilian employees of the Transportation Corps of the Army and those of the Coast and Geodetic Survey, who are employed on vessels and authorizes such employees to be compensated in accordance with wage practices prevailing in the maritime industry.

The act would take effect on May 1, 1943, and would continue in effect until June 30, 1945, unless terminated earlier by the Congress.

Section 14 contains the short title, and section 15 would deny benefits under the act to members of a local union, the members of which are employees of the Government, which denies membership to any person because of race, color, or creed.

COST OF S. 635

The enactment of S. 635 would increase the cost of overtime and additional compensation authorized to be paid to employees under existing law by approximately \$22,915,400 annually. Of this amount \$11,340,000 represents the cost of overtime compensation which would be payable to persons receiving \$5,000 or more, \$6,396,000 the cost of increases brought about by the \$300 minimum on overtime compensation, and \$5,179,400 the increased cost of the additional compensation provisions of subsections (a) and (c) of section 3.



H. R. 1860

[Report No. 339]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 1943

Mr. RANDOLPH introduced the following bill; which was referred to the Committee on the Civil Service

APRIL 1, 1943

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-

-1 cers and employees in the field service of the Post Office
 2 Department; (e) employees whose wages are fixed on a
 3 daily or hourly basis and adjusted from time to time in
 4 accordance with prevailing rates by wage boards or similar
 5 administrative authority serving the same purpose; and (f)
 6 employees outside the continental limits of the United States,
 7 including Alaska, who are paid in accordance with local
 8 prevailing native wage rates for the area in which employed.

9 SEC. 2. Officers and employees to whom this Act ap-
 10 plies shall be paid overtime compensation for work in excess
 11 of forty hours in any administrative workweek at a rate
 12 of one and one-half times their basic rates of compensation:
 13 *Provided, That no overtime compensation shall be paid on*
 14 *any portion of an officer's or employee's basic rate of com-*
 15 *ensation in excess of \$2,900 per annum, and each such em-*
 16 *ployee shall be paid only such overtime compensation or por-*
 17 *tion thereof as will not cause his aggregate compensation to*
 18 *exceed a rate of \$5,000 per annum: And provided further,*
 19 *That in computing the overtime compensation of per annum*
 20 *officers and employees, the base pay for one day shall be*
 21 *considered to be one ~~two-hundred-and-sixtieth~~ three-hundred-*
 22 *and-sixtieth of the respective per annum salaries, and the*
 23 *base pay for one hour shall be considered to be one-eighth*
 24 *of the base pay so computed for one day.*

25 SEC. 3. Officers and employees to whom this Act ap-

1 plies and whose compensation is based upon other than a
2 time-period basis, or whose hours of duty are intermittent,
3 irregular, or less than full time, and officers and employees
4 in or under the legislative and judicial branches (*except those*
5 *in the Library of Congress, the Botanic Garden, and per*
6 *annum employees in or under the Office of the Architect of*
7 *the Capitol who are regularly required to work not less than*
8 *forty-eight hours per week, who shall be paid pursuant to the*
9 *terms of section 2 of this Act*) to whom this Act applies,
10 and officers and employees whose working conditions, on
11 recommendation of the head of the department or agency and
12 approved by the Civil Service Commission, are found to be
13 such as to render an overtime work schedule impracticable,
14 shall be paid additional compensation, in lieu of the overtime
15 compensation authorized under section 2 of this Act, amount-
16 ing to 15 per centum of so much of their earned basic com-
17 pensation as is not in excess of a rate of \$2,900 per annum.
18 and each such employee shall be paid only such additional
19 compensation or portion thereof as will not cause his aggre-
20 gate compensation to exceed a rate of \$5,000 per annum.

21 SEC. 4. The Act approved February 10, 1942 (Public
22 Law Numbered 450, Seventy-seventh Congress), and sec-
23 tion 4 of the Act approved May 2, 1941 (Public Law
24 Numbered 46, Seventy-seventh Congress), as amended, are
25 hereby repealed.

1 SEC. 5. The provisions of the Saturday half-holiday
2 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.
3 26 (a)), are hereby suspended for the period during which
4 this Act is in effect.

5 SEC. 6. The provisions of this Act shall not operate to
6 prevent payment for overtime services in accordance with
7 any of the following statutes: Act of February 13, 1911,
8 as amended (U. S. C., title 19, secs. 261 and 267) : Act
9 of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.
10 394) ; Act of June 17, 1930, as amended (U. S. C., title
11 19, secs. 1450, 1451, and 1452) ; Act of March 2, 1931
12 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b) ;
13 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
14 title 46, sec. 382b) ; Act of March 23, 1941 (Public Law
15 Numbered 20, Seventy-seventh Congress) : *Provided*, That
16 the overtime services covered by such payment shall not also
17 form a basis for overtime compensation under this Act.

18 SEC. 7. ~~Within thirty days after the effective date of this~~
19 ~~Act, and every ninety days thereafter, the heads of depart-~~
20 ~~ments and agencies in the executive branch, whose employees~~
21 ~~are effected by the provisions of this Act, shall present to~~
22 ~~the Director of the Bureau of the Budget such information~~
23 ~~as he shall require for the purpose of justifying the number~~
24 ~~of employees in their respective departments or agencies.~~
25 ~~If any such department or agency fails to present such in-~~

1 formation or if, in the opinion of the Director, the informa-
 2 tion so presented fails to disclose that the number of such
 3 employees in any department or agency is necessary to the
 4 proper and efficient exercise of its functions, the personnel
 5 of such department or agency shall be reduced, upon the
 6 order of the Director, by such number as the Director finds
 7 to be in excess of the minimum requirements of such depart-
 8 ment or agency. Upon the expiration of thirty days from the
 9 date of issuance of such order by the Director, the provisions
 10 of sections 2 and 3 of this Act shall cease to be applicable
 11 to the employees of the agency affected by such order, unless
 12 and until the head thereof has certified to the Director that
 13 such order has been complied with. The Civil Service Com-
 14 mission is authorized to transfer to other departments and
 15 agencies any employees released pursuant to this section,
 16 whose services are needed in and can be effectively utilized
 17 by such other departments or agencies.

18 *SEC. 7. Whenever the Civil Service Commission shall*
 19 *find that within the same Government organization and at*
 20 *the same location gross inequities exist to such an extent as*
 21 *to interfere with the prosecution of the war, between basic*
 22 *per annum rates of pay fixed for any class of positions under*
 23 *the Classification Act of 1923, as amended, and the com-*
 24 *pensation of employees whose basic rates of pay are fixed by*

1 wage boards or similar administrative authorities serving the
2 same purpose, the Commission is hereby empowered in order
3 to correct or reduce such inequities to establish as the mini-
4 mum rate of pay for such class of positions any rate within
5 the range of pay fixed by the Classification Act of 1923, as
6 amended, for the grade to which such class of positions is
7 allocated under such Act.

8 SEC. 8. The heads of departments and agencies in the
9 executive branch, whose employees are affected by the pro-
10 visions of this Act, shall present to the Director of the Bureau
11 of the Budget and to the Congress such information as the
12 Director shall from time to time, but not less frequently than
13 the first day of January and July of each year, require for
14 the purpose of determining the number of employees required
15 for the proper and efficient exercise of the functions of their
16 respective departments and agencies. The Director shall
17 from time to time, but not less frequently than the begin-
18 ning of each six months, determine the number of employees
19 so required, and any personnel of any such department or
20 agency in excess thereof shall be released at such times as the
21 Director shall order. Such determination shall be reported
22 to the Congress January 1 and July 1 of each year.
23 Sections 2 and 3 of this Act shall cease to be applicable to
24 the employees of such department or agency unless the head
25 thereof shall certify within thirty days from the effective

1 date so prescribed by the Director that the number of em-
2 ployees of his agency does not exceed the number determined
3 by the Director to be required for the proper and efficient
4 exercise of its functions. Any determinations and directions
5 made by the Director under the authority of Public Law
6 821, Seventy-seventh Congress, are hereby continued in effect
7 until modified by him. The Civil Service Commission is
8 authorized to transfer to other departments and agencies any
9 employees released pursuant to this section whose services
10 are needed in and can be effectively utilized by such other
11 departments or agencies, and the services of these employees
12 are to be utilized by the departments and agencies before
13 additional employees are recruited.

14 SEC. 8 9. The Civil Service Commission is authorized
15 and directed to take such action and to promulgate such rules
16 and regulations as may be necessary and proper for the
17 purpose of coordinating and supervising the administration
18 of the provisions of this Act, and for the purpose of adjust-
19 ing present methods of converting annual rates of pay into
20 daily and hourly rates for all purposes so as to conform with
21 the method prescribed by this Act.

22 SEC. 10. Representatives, Delegates, the Resident Com-
23 missioner from Puerto Rico, and chairman of standing com-
24 mittees may rearrange or change the schedule of salaries and
25 the number of employees in their respective offices or com-

1 *mittees: Provided, That such changes shall not increase the*
2 *aggregate of the salaries provided for such offices or com-*
3 *mittees by law: Provided further, That no salary shall be*
4 *fixed hereunder at a rate in excess of \$4,500 per annum and*
5 *no action shall be taken to reduce any salary which is specifi-*
6 *cally fixed by law at a rate higher than \$4,500: Provided*
7 *further, That Representatives, Delegates, the Resident Com-*
8 *missioner from Puerto Rico, and committee chairmen, on or*
9 *before the tenth day of the month in which such changes*
10 *are to become effective, shall certify in writing such changes*
11 *or rearrangements to the disbursing office which shall there-*
12 *after pay such employees in accord with such changed*
13 *schedule.*

14 SEC. 9 11. This Act shall take effect on May 1, 1943,
15 and shall terminate on June 30, 1945, or such earlier date
16 as the Congress by concurrent resolution may prescribe.

17 SEC. 10 12. This Act may be cited as the "War Over-
18 time Pay Act of 1943".

78TH CONGRESS
1ST Session

H. R. 1860

[Report No. 339]

A BILL

To provide for the payment of overtime compensation to Government employees, and for other purposes.

By Mr. RANDOLPH

FEBRUARY 16, 1943

Referred to the Committee on the Civil Service

APRIL 1, 1943

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

FILE COPY

78TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } No. 339

WAR OVERTIME PAY ACT OF 1943

APRIL 1, 1943.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. RANDOLPH, from the Committee on the Civil Service, submitted the following

REPORT

[To accompany H. R. 1860]

The Committee on the Civil Service, to whom was referred the bill (H. R. 1860) to provide for the payment of overtime compensation to Government employees, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On page 2, line 14, after the word "annum", change the colon to a comma and add the following:

and each such employee shall be paid only such overtime compensation or portion thereof as will not cause his aggregate compensation to exceed a rate of \$5,000 per annum:

On page 2, line 17, after the word "one", strike out the word "two" and insert the word "three".

On page 2, line 25, after the word "branches", insert the following: (except those in the Library of Congress, the Botanic Garden, and per annum employees in or under the Office of the Architect of the Capitol who are regularly required to work not less than forty-eight hours per week, who shall be paid pursuant to the terms of section 2 of this Act).

On page 3, line 1, after "applies," insert the following phrase: and officers and employees whose working conditions, on recommendation of the head of the department or agency and approved by the Civil Service Commission, are found to be such as to render an overtime work schedule impracticable,

On page 3, line 5, change the period to a comma and add the following:

and each such employee shall be paid only such additional compensation or portion thereof as will not cause his aggregate compensation to exceed a rate of \$5,000 per annum.

On page 4, line 3, strike out all of section 7, which continues through line 2 on page 5, and insert the following as a new section 7:

SEC. 7. Whenever the Civil Service Commission shall find that within the same Government organization and at the same location gross inequities exist to such an extent as to interfere with the prosecution of the war, between basic per annum rates of pay fixed for any class of positions under the Classification Act of 1923, as amended, and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authorities serving the same purpose, the Commission is hereby empowered in order to correct or reduce such inequities to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by the Classification Act of 1923 as amended for the grade to which such class of positions is allocated under such Act.

After the new section 7, insert the following, which will become section 8:

SEC. 8. The heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this Act, shall present to the Director of the Bureau of the Budget and to the Congress such information as the Director shall from time to time, but not less frequently than the 1st day of January and July of each year, require for the purpose of determining the number of employees required for the proper and efficient exercise of the functions of their respective departments and agencies. The Director shall from time to time, but not less frequently than the beginning of each six months, determine the number of employees so required, and any personnel of any such department or agency in excess thereof shall be released at such times as the Director shall order. Such determination shall be reported to the Congress January 1 and July 1 of each year. Sections 2 and 3 of this Act shall cease to be applicable to the employees of such department or agency unless the head thereof shall certify within thirty days from the effective date so prescribed by the Director that the number of employees of his agency does not exceed the number determined by the Director to be required for the proper and efficient exercise of its functions. Any determinations and directions made by the Director under the authority of Public Law 821, Seventy-seventh Congress, are hereby continued in effect until modified by him. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section whose services are needed in and can be effectively utilized by such other departments or agencies, and the services of these employees are to be utilized by the departments and agencies before additional employees are recruited.

On page 5, line 3, strike out "8" and insert "9".

After section 9, insert a new section, which will be section 10, as follows:

SEC. 10. Representatives, Delegates, the Resident Commissioner from Puerto Rico, and chairmen of standing committees may rearrange or change the schedule of salaries and the number of employees in their respective offices or committees: *Provided*, That such changes shall not increase the aggregate of the salaries provided for such offices or committees by law: *Provided further*, That no salary shall be fixed hereunder at a rate in excess of \$4,500 per annum and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than \$4,500: *Provided further*, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the 10th day of the month in which such changes are to become effective, shall certify in writing such changes or rearrangements to the disbursing office which shall thereafter pay such employees in accord with such changed schedule.

On page 5, line 11, strike out "9" and insert "11".

On page 5, line 14, strike out "10" and insert "12".

GENERAL STATEMENT

In the closing days of the Seventy-seventh Congress temporary legislation (Public Law 821, 77th Cong.) was enacted, providing pay adjustments for employees of the Government. That law expires on

April 30, 1943. This bill is a proposal to take the place of that act after its expiration.

A subcommittee of this committee was appointed to consider this legislation. The subcommittee conducted extensive hearings, and heard numerous witnesses, including officials of the Government. The subcommittee reported to the full committee, its recommendations were accepted, and the whole committee favorably report this bill to the House with the amendments as shown above.

COMMENT

The major purpose of this proposal is to provide employees of the Government with additional compensation to enable them to meet wartime living costs. The bill would retain the major provisions of the temporary law that was adopted last December, with the exceptions to be pointed out hereafter.

Section 1 makes the act applicable to all civilian officers and employees in or under the United States Government, including Government-owned or controlled corporations, and those employees of the District of Columbia municipal government who occupy positions subject to the Classification Act of 1923. This section excludes from the provisions of the bill elected officials; judges; heads of departments, independent establishments, and agencies; employees whose wages are fixed and adjusted by wage boards according to prevailing rates; and employees outside the continental limits of the United States, including Alaska, who are paid prevailing wage rates for the areas where employed. The officers and employees in the field service of the Post Office Department are also excluded from the bill, because Congress has recently passed legislation adjusting pay rates for these employees.

Section 2 continues the method of computing overtime payments that was contained in Public Law 821 (77th Cong.). This provides that pay for work over 40 hours a week shall be at the rate of one and one-half times the basic rate of compensation, the base pay for 1 day shall be one three-hundred-and-sixtieth of the per annum pay, and the hourly rate shall be one-eighth of a day's pay so computed. However, such overtime is limited to the first \$2,900 of an employee's salary. This section also continues the \$5,000 ceiling that was contained in the temporary act.

Section 3 provides that those employees whose compensation is based on other than the time period basis, whose hours of duty are intermittent, irregular, or less than full time, and officers and employees in or under the legislative and judicial branches, shall be granted a straight 15 percent increase on the first \$2,900 of their annual salary. This group would be given a 5 percent increase over what they were given in the temporary act. This section also places the employees of the Library of Congress, the Botanic Garden, and the office of the Architect of the Capitol, who are required to work not less than 48 hours per week, under the overtime provision of the bill. The committee has also adopted an amendment in this section, recommended by the Civil Service Commission and the Bureau of the Budget, to include those who were left entirely out of the act passed last December on account of certain peculiar working conditions. This is designed specifically to grant a 15 percent increase to customs employees assigned to private warehouses that operate

only 40 hours per week, making overtime impossible. The amendment is broad enough to enable adjustments for any other similar cases that may develop. The committee has amended this section to retain the \$5,000 ceiling that was contained in the temporary act.

Section 4 repeals existing overtime statutes relating to certain employees of the National Advisory Committee for Aeronautics and the Maritime Commission, since such employees would be covered by this bill, and those acts would no longer be necessary.

Section 5 continues the suspension of the Saturday half-holiday law during the time this act would be in effect, because practically all branches of the Government are now working on a 48-hour workweek and this bill is designed on that basis.

Section 6 provides that the act shall not operate to prevent payment for overtime services in accordance with the statutes mentioned in the bill. This is necessary so that the situation regarding employees whose wages are fixed on a daily or hourly basis, and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose, shall not be interfered with.

Section 7 gives the Civil Service Commission authority to adjust rates of pay for per annum employees, where it is found that within the same Government organization and at the same location gross inequities exist to such an extent as to interfere with the prosecution of the war. This is designed primarily to correct a situation brought to our attention by the Navy Department, wherein it was found that mechanics being paid by wage-board procedure, when promoted to positions as inspectors and supervisors, were reduced in pay even though their responsibilities are greatly increased. The language used in this section was recommended by the Civil Service Commission, and was submitted to the officials of the Navy Department and the Bureau of the Budget, and they say this will enable them to remedy the serious problem that has arisen.

Section 8 requires heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this act, to furnish to the Director of the Bureau of the Budget and to Congress such information as the Director shall request from time to time, for the purpose of determining the number of employees needed for the efficient administration of their respective departments and agencies. This section gives the Director authority to determine the number of employees so required, and gives him power to order the release of any unneeded employees. The Director shall report to Congress on January 1 and July 1 of each year the action he takes under this power. If any department or agency fails to comply, the pay provisions of this act shall cease to apply to the employees of such department or agency within 30 days after the Director of the Bureau of the Budget notifies them of his determination. Any determinations made by the Director pursuant to the temporary pay legislation adopted last December are continued in effect until modified by him. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section whose services may be needed in such other departments and agencies, and shall do so before additional employees are recruited.

Section 9 gives the Civil Service Commission authority to promulgate rules and regulations for the purpose of coordinating and super-

vising the administration of this act, insofar as it relates to employees under the executive branch of the Government.

Section 10 authorizes the rearrangement of the schedule of salaries of employees of Representatives, Delegates, the Resident Commissioner from Puerto Rico, and the standing committees of the House of Representatives. No change is made in the total amount of salaries provided by law for such offices and committees, but it will enable the division of present funds among more employees and limits the top rate to any one employee under such rearrangement to \$4,500 per annum. No employee whose salary is now fixed by law above \$4,500 will be reduced. Any changes pursuant to this section must be certified in writing to the House disbursing office on or before the 10th day of the month in which they are to become effective. This amendment was suggested and urged by Representative John J. Cochran, chairman of the Committee on Accounts. For the information of the House, Mr. Cochran's statement is printed below:

A most unusual situation has developed among the personnel in the offices of the Representatives as well as among those employed as clerks of the various standing committees.

Even starting prior to Pearl Harbor there has been tremendous turn-over among this class of personnel. This was due to men and women joining the armed forces and many stenographers going to the executive branch of the Government where they secured salaries above that which the Representative could pay on his allowance.

In dozens of instances it became necessary for Representatives to arrange for part-time employees, stenographers who would work a half-day. Under existing law the Representative was handicapped in that he would be required to place one part-time employee on the roll and that employee split the salary with another part-time employee. That is not in keeping with existing law, but it worked.

The same situation developed in the Senate but the Senators took care of the situation by adopting an amendment which will be found on page 4, Public Law 600 (77th Cong.), at the end of the paragraph which starts on page 3, headed "Clerical assistance to Senators."

The language I submit is the same as the Senate language, only changed to make it apply to the House.

While it will enable the Representatives to change from time to time the amount he or she pays employees within certain limits, it will in no way increase the total amount now allowed under existing law.

While the Senate was justified in making the change a year ago there is more justification now.

This matter has been submitted to the disbursing clerk and he offers no objection, provided the Representatives and so forth submit the changes at the start of each month.

Again I say this does not increase the present amount allowed for these employees 1 cent but provides a way for the Representative to meet a situation without violating existing law.

Section 11 makes this act effective from May 1, 1943, until June 30, 1945, unless an earlier date may be prescribed by Congress by concurrent resolution.

Section 12 entitles the act the "War Overtime Pay Act of 1943."

ESTIMATE OF COST

The Bureau of the Budget reported to the committee that the estimated cost of the temporary pay legislation (Public Law 821, 77th Cong.) on an annual basis was \$563,780,000. The Bureau estimates that the provision granting 15 percent increases instead of 10 percent

will cost approximately \$4,000,000 per annum. There will be a slight increase on account of the provision changing the employees of the Library of Congress, the Botanic Garden, and some employees under the Architect of the Capitol from the percentage increase to the overtime schedule, but this will be negligible. Thus it will be seen that the estimated increase on account of the provisions in this bill over the already existing law will be approximately \$4,000,000.

CHANGES IN EXISTING LAW

In compliance with clause 2a of rule XIII of the rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be suspended or repealed is enclosed in black brackets):

Section 4 of the act of May 2, 1941:

[SEC. 4. During the national emergency declared by the President on September 8, 1939, to exist, but not after June 30, 1942, notwithstanding any other provision of law, (1) the United States Maritime Commission is authorized to prescribe rules and regulations with regard to working hours and overtime employment for naval architects, marine engineers, draftsmen, estimators, inspectors of new construction and materials, and marine surveyors, or any of such employees engaged in its ship-construction program or its national defense activities, and for other employees of the Commission performing services in such ship-construction program or national defense activities which the Commission shall determine to be comparable to those of employees of other Government departments or agencies engaged in national defense activities and authorized by law to receive compensation for overtime work, (2) compensation for employment in excess of forty hours in any administrative workweek computed at a rate not less than one-and-one-half times the regular rate is hereby authorized to be paid to the aforesaid employees of the Commission who work overtime pursuant to such rules and regulations, and (3) the President is authorized, in his discretion, to establish, in regard to hours of work and compensation for overtime of the employees hereinabove referred to, such uniformity with the War Department, the Navy Department, and the Coast Guard, and their field services as he may deem necessary in the interest of national defense. In determining overtime compensation for per annum employees under this section, the pay for one day shall be considered to be one three-hundred-and-sixtieth of their respective per annum salaries, and the pay for one hour shall be considered to be one-eighth of the pay for one day.]

Act of February 10, 1942:

[That compensation for employment in excess of forty hours in any administrative workweek computed at a rate of one and one-half times the regular rate is hereby authorized to be paid hereafter, under such regulations as the President may prescribe, to those employees in the field service of the National Advisory Committee for Aeronautics whose overtime services are essential to the national defense program and whose duties are determined by the President to be comparable to the duties of those employees of the War Department, the Navy Department, and the Coast Guard, for whom overtime compensation is authorized under existing law and regulations: *Provided*, That in determining the overtime compensation of per annum employees the base pay for one day shall be considered to be one three-hundred-and-sixtieth of the respective per annum salaries.]

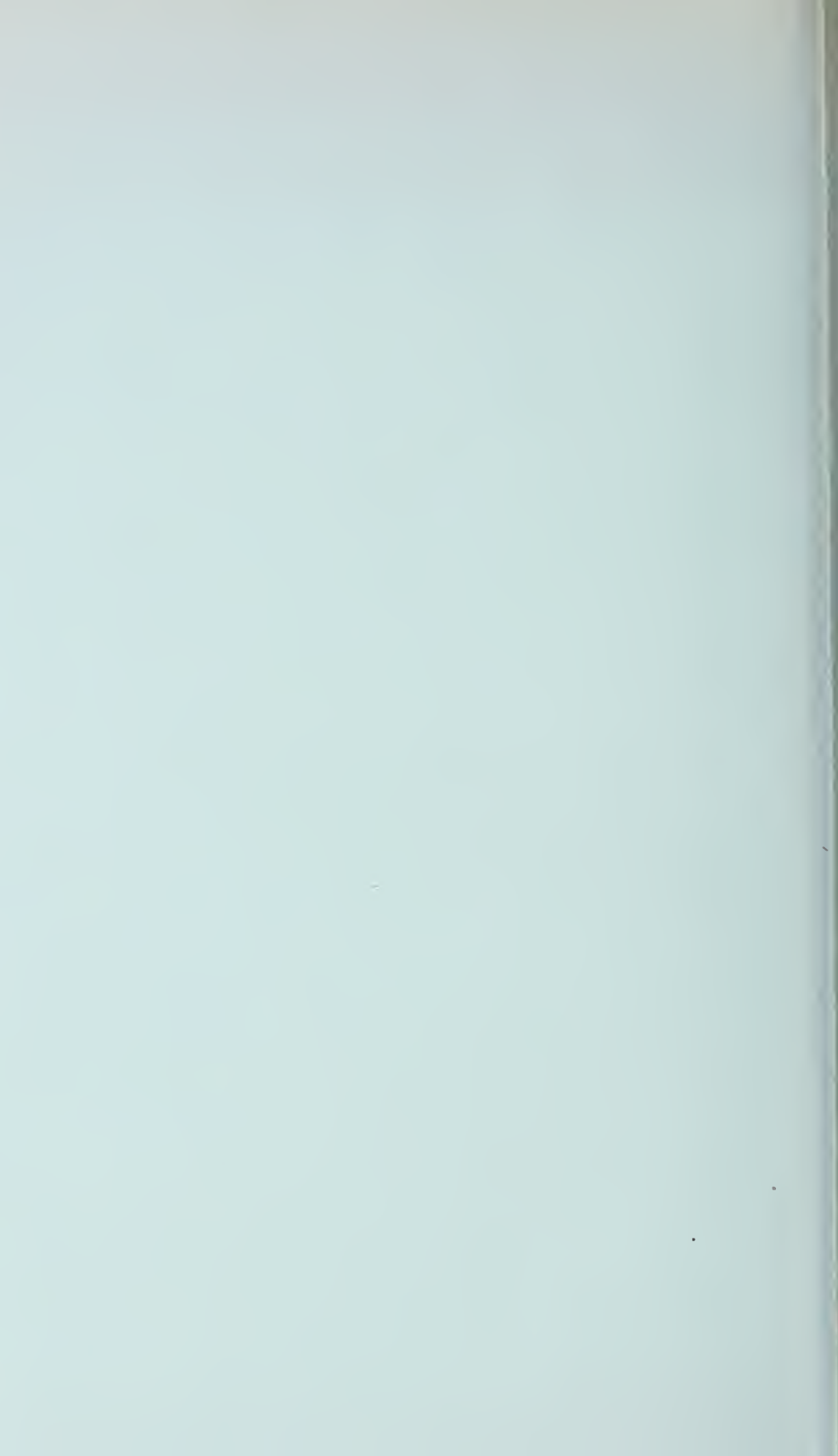
SEC. 2. The provisions of this Act shall be effective during the national emergency declared by the President on September 8, 1939, to exist, and shall terminate June 30, 1943, unless the Congress shall otherwise provide.]

Act of March 3, 1931:

[That on and after the effective date of this Act four hours, exclusive of time for luncheon, shall constitute a day's work on Saturdays throughout the year, with pay or earnings for the day the same as on other days when full time is worked,

for all civil employees of the Federal Government and the District of Columbia, exclusive of employees of the Postal Service, employees of the Panama Canal on the Isthmus, and employees of the Interior Department in the field, whether on the hourly, per diem, per annum, piecework, or other basis: *Provided*, That in all cases where for special public reasons, to be determined by the head of the department or establishment having supervision or control of such employees, the services of such employees cannot be spared, such employees shall be entitled to an equal shortening of the workday on some other day: *Provided, further*, That the provisions of this Act shall not deprive employees of any leave or holidays with pay to which they may now be entitled under existing laws.】





DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued April 3, 1943, for actions of Friday, April 2, 1943)

(For staff of the Department only)

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SENATE

1. Price control; parity formula. Received the President's veto message on S. 660, the Bankhead bill to exclude, in the determination of parity prices for the purpose of fixing price ceilings, any deduction for any subsidy, parity, incentive, or other payment made with respect to any agricultural commodity or any product thereof. The President stated that Congress has upheld the view that farm payments should be included, that farmers' conditions have improved since 1933, that this bill would not help the farmer with his production problems, and that it would throw the present wage-price arrangement out of balance and cause inflation, thus injuring the farmer, increasing the public debt, adding to the burdens of those most heavily burdened, make winning the war more difficult, and imperil our chances of winning the peace. (S. Doc. 23.) Agreed to consider the message Tues. (pp. 2876-78.)
2. Food investigation. Agriculture and Forestry Committee reported S. Res. 124, to authorize the Committee to study and investigate production, transportation, distribution, exportation, utilization, and consumption of food and allied products, and factors involved therein, including farm labor, prices, machinery, fertilizer, feed, and to make inquiries into any Government policies and practices which appear to imperil adequate production and distribution. To Audit-Control Committee. (pp. 2882-83.)

3. Flood control. Irrigation and Reclamation Committee reported with amendments S. 649, to promote flood control in the Republican River basin (S. Rept. 152) (p. 2882).
4. Wildlife conservation. Agreed without amendment to S. Res. 105, making \$6,000 additional available for the special wildlife-conservation committee (p. 2883).
5. Sugar production. Sen. Vandenberg, Mich., commended Food Administrator Davis for his "prompt and helpful action" in urging increased sugar production and inserted the latter's telegram to State War Boards on this subject, and his own letter to Mr. Davis commending his action (pp. 2875-76).
6. Reclamation. Received a copy of the proposed Republican River Compact. To Irrigation and Reclamation Committee. (p. 2879.)
7. FCA report. Both Houses received the annual report of FCA (H. Doc. 14): To Senate Agriculture and Forestry Committee and House Agriculture Committee. (pp. 2879, 2947.)
8. Animal industry. Received a N. Dak. Legislature request for restoration of BAI "to its former status" (p. 2879).
9. Incentive payments. Received a N. Dak. Legislature request for incentive payments as a means of increasing food production (p. 2880).
10. Food production. Received a Mont. Legislature request for farm prices sufficient to cover cost of production, including labor, and a profit (p. 2880).
11. Farm labor; parity formula. Sen. Capper, Kans., inserted a letter from Cooperative Milk Producers' Federation favoring H. R. 1408, the Pace bill to include all farm-labor costs in computing parity prices (pp. 2880-81).
12. Meat rationing. Sen. Vandenberg, Mich., inserted a local miners' resolution urging increased meat rations for miners (p. 2881).
13. Personnel; overtime pay. Sens. Overton, Ke., and Thomas, Utah, submitted amendments which they intend to propose to S. 635, the overtime-pay bill (p. 2836).
14. Labor; farm prices. Sen. Truman, Mo., inserted the Defense-Investigation Committee's report on labor problems, which discussed the danger of inflation stating that farm prices and labor wages are interdependent and that food-cost increases should be controlled (pp. 2892-93).
15. Price control. Agreed to S. Res. 94, directing an investigation of OPA and other Government agencies in respect to price ceilings on pork and beef products and bread and other bakery products; then reconsidered the vote and indefinitely postponed the resolution, after Sen. Barkley had stated that Sen. Reed, its author, was agreeable to that action (p. 2893).
16. American Indian Day. Passed without amendment S. 169, designating the fourth Sat. in Sept. of each year as American Indian Day and providing for display of the flag upon Government buildings on that day (p. 2897).
17. Forests; taxation. Passed without amendment H.R. 2071, to exempt the American Tree Association from D.C. real-property taxes (p. 2897). This bill will now be sent to the President.

S. 635

IN THE SENATE OF THE UNITED STATES

APRIL 2, 1943

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. OVERTON to the bill (S. 635)
to provide for the payment of overtime compensation to
Government employees, and for other purposes, viz:

- 1 On page 9, line 4, after "per annum" strike out the
- 2 period and insert a colon and the following: "*And provided*
- 3 *further*, That no officer or employee shall be paid additional
- 4 compensation under this section amounting to more than
- 5 25 per centum of his earned basic compensation."

AMENDMENT

Intended to be proposed by Mr. Overton to the bill (S. 635) to provide for the payment of overtime compensation to Government employees, and for other purposes.

APRIL 2, 1943

Ordered to lie on the table and to be printed

S. 635

IN THE SENATE OF THE UNITED STATES

APRIL 2, 1943

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. THOMAS of Utah to the bill
(S. 635) to provide for the payment of overtime compensation to Government employees, and for other purposes, viz:

1 On page 6 strike out lines 21 to 25, inclusive, and insert
2 in lieu thereof the following:

3 “SEC. 2. Except as provided in section 3, officers and
4 employees to whom this Act applies shall be paid overtime
5 compensation for work in excess of forty hours in any admin-
6 istrative workweek at a rate of one and one-half times their
7 basic rates of compensation: *Provided*, That in computing
8 the overtime compensation of per annum officers and em-
9 ployees, the base pay for one day shall be considered to be
10 one-two-hundred-and-sixtieth of the respective per annum

1 salaries, and the base pay for one hour shall be considered
 2 to be one-eighth of base pay so computed for one day:
 3 *Provided,*”.

4 On page 7, substitute a period for the colon in line 8,
 5 and strike out everything after such colon up to and including
 6 line 12.

AMENDMENTS

Intended to be proposed by Mr. THOMAS of
 Utah to the bill (S. 635) to provide for the
 payment of overtime compensation to Gov-
 ernment employees, and for other purposes.

APRIL 2, 1943

Ordered to lie on the table and to be printed

Calendar No. 155

78TH CONGRESS
1ST SESSION

H. R. 1860

IN THE SENATE OF THE UNITED STATES

APRIL 6, 1943

Read twice and ordered to be placed on the calendar

AN ACT

To provide for the payment of overtime compensation to Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-
11 cers and employees in the field service of the Post Office

1 Department; (e) employees whose wages are fixed on a
2 daily or hourly basis and adjusted from time to time in
3 accordance with prevailing rates by wage boards or similar
4 administrative authority serving the same purpose; and (f)
5 employees outside the continental limits of the United States,
6 including Alaska, who are paid in accordance with local
7 prevailing native wage rates for the area in which employed.

8 SEC. 2. Officers and employees to whom this Act ap-
9 plies shall be paid overtime compensation for work in excess
10 of forty hours in any administrative workweek at a rate
11 of one and one-half times their basic rates of compensation:
12 *Provided*, That no overtime compensation shall be paid on
13 any portion of an officer's or employee's basic rate of com-
14 pensation in excess of \$2,900 per annum, and each such em-
15 ployee shall be paid only such overtime compensation or por-
16 tion thereof as will not cause his aggregate compensation to
17 exceed a rate of \$5,000 per annum: *And provided further*,
18 That in computing the overtime compensation of per annum
19 officers and employees, the base pay for one day shall be
20 considered to be one three-hundred-and-sixtieth of the re-
21 spective per annum salaries, and the base pay for one hour
22 shall be considered to be one-eighth of the base pay so com-
23 puted for one day.

24 SEC. 3. Officers and employees to whom this Act ap-
25 plies and whose compensation is based upon other than a

1 time-period basis, or whose hours of duty are intermittent,
2 irregular, or less than full time, and officers and employees
3 in or under the legislative and judicial branches (except those
4 in the Library of Congress, the Botanic Garden, and per
5 annum employees in or under the Office of the Architect of
6 the Capitol who are regularly required to work not less than
7 forty-eight hours per week, who shall be paid pursuant to the
8 terms of section 2 of this Act) to whom this Act applies,
9 and officers and employees whose working conditions, on
10 recommendation of the head of the department or agency and
11 approved by the Civil Service Commission, are found to be
12 such as to render an overtime work schedule impracticable,
13 shall be paid additional compensation, in lieu of the overtime
14 compensation authorized under section 2 of this Act, amount-
15 ing to 15 per centum of so much of their earned basic com-
16 pensation as is not in excess of a rate of \$2,900 per annum,
17 and each such employee shall be paid only such additional
18 compensation or portion thereof as will not cause his aggre-
19 gate compensation to exceed a rate of \$5,000 per annum.

20 SEC. 4. The Act approved February 10, 1942 (Public
21 Law Numbered 450, Seventy-seventh Congress), and sec-
22 tion 4 of the Act approved May 2, 1941 (Public Law
23 Numbered 46, Seventy-seventh Congress), as amended, are
24 hereby repealed.

25 SEC. 5. The provisions of the Saturday half-holiday

1 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.
2 26 (a)), are hereby suspended for the period during which
3 this Act is in effect.

4 SEC. 6. The provisions of this Act shall not operate to
5 prevent payment for overtime services in accordance with
6 any of the following statutes: Act of February 13, 1911,
7 as amended (U. S. C., title 19, secs. 261 and 267); Act
8 of July 24, 1919 (41 Stat. 241; U. S. C. title 7, sec.
9 394); Act of June 17, 1930, as amended (U. S. C., title
10 19, secs. 1450, 1451, and 1452); Act of March 2, 1931
11 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b);
12 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
13 title 46, sec. 382b); Act of March 23, 1941 (Public Law
14 Numbered 20, Seventy-seventh Congress): *Provided*, That
15 the overtime services covered by such payment shall not also
16 form a basis for overtime compensation under this Act.

17 SEC. 7. Whenever the Civil Service Commission shall
18 find that within the same Government organization and at
19 the same location gross inequities exist to such an extent as
20 to interfere with the prosecution of the war, between basic
21 per annum rates of pay fixed for any class of positions under
22 the Classification Act of 1923, as amended, and the com-
23 pensation of employees whose basic rates of pay are fixed by
24 wage boards or similar administrative authorities serving the
25 same purpose, the Commission is hereby empowered in order

1 to correct or reduce such inequities to establish as the mini-
2 mum rate of pay for such class of positions any rate within
3 the range of pay fixed by the Classification Act of 1923, as
4 amended, for the grade to which such class of positions is
5 allocated under such Act.

6 SEC. 8. The heads of departments and agencies in the
7 executive branch, whose employees are affected by the pro-
8 visions of this Act, shall present to the Director of the Bureau
9 of the Budget and to the Congress such information as the
10 Director shall from time to time, but not less frequently than
11 the first day of January and July of each year, require for
12 the purpose of determining the number of employees required
13 for the proper and efficient exercise of the functions of their
14 respective departments and agencies. The Director shall
15 from time to time, but not less frequently than the begin-
16 ning of each six months, determine the number of employees
17 so required, and any personnel of any such department or
18 agency in excess thereof shall be released at such times as the
19 Director shall order. Such determination shall be reported
20 to the Congress January 1 and July 1 of each year.
21 Sections 2 and 3 of this Act shall cease to be applicable to
22 the employees of such department or agency unless the head
23 thereof shall certify within thirty days from the effective
24 date so prescribed by the Director that the number of em-
25 ployees of his agency does not exceed the number determined

1 by the Director to be required for the proper and efficient
2 exercise of its functions. Any determinations and directions
3 made by the Director under the authority of Public Law
4 821, Seventy-seventh Congress, are hereby continued in
5 effect until modified by him. The Civil Service Commission
6 is authorized to transfer to other departments and agencies
7 any employees released pursuant to this section whose serv-
8 ices are needed in and can be effectively utilized by such
9 other departments or agencies, and the services of these em-
10 ployees are to be utilized by the departments and agencies
11 before additional employees are recruited.

12 SEC. 9. The Civil Service Commission is authorized
13 and directed to take such action and to promulgate such rules
14 and regulations as may be necessary and proper for the
15 purpose of coordinating and supervising the administration
16 of the provisions of this Act, and for the purpose of adjust-
17 ing present methods of converting annual rates of pay into
18 daily and hourly rates for all purposes so as to conform with
19 the method prescribed by this Act.

20 SEC. 10. Representatives, Delegates, the Resident Com-
21 missioner from Puerto Rico, and chairmen of standing com-
22 mittees may rearrange or change the schedule of salaries and
23 the number of employees in their respective offices or com-
24 mittees: *Provided*, That such changes shall not increase the
25 aggregate of the salaries provided for such offices or com-

1 mittees by law: *Provided further*, That no salary shall be
2 fixed hereunder at a rate in excess of \$4,500 per annum and
3 no action shall be taken to reduce any salary which is specifi-
4 cally fixed by law at a rate higher than \$4,500: *Provided*
5 *further*, That Representatives, Delegates, the Resident Com-
6 missioner from Puerto Rico, and committee chairmen, on or
7 before the tenth day of the month in which such changes
8 are to become effective, shall certify in writing such changes
9 or rearrangements to the disbursing office which shall there-
10 after pay such employees in accord with such changed
11 schedule.

12 SEC. 11. This Act shall take effect on May 1, 1943,
13 and shall terminate on June 30, 1945, or such earlier date
14 as the Congress by concurrent resolution may prescribe.

15 SEC. 12. This Act may be cited as the "War Over-
16 time Pay Act of 1943".

Passed the House of Representatives April 5, 1943.

Attest:

SOUTH TRIMBLE,

Clerk.

78TH CONGRESS
1ST SESSION

H. R. 1860

AN ACT

To provide for the payment of overtime compensation to Government employees, and for other purposes.

APRIL 6, 1943

Read twice and ordered to be placed on the calendar



OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-1st, No. 66

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued April 12, 1943, for actions of Saturday, April 10, 1943)

(For staff of the Department only)

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HOUSE

1. Priorities; price control; rationing. Agreed, as reported, to H. Res. 98, directing the Interstate and Foreign Commerce Committee to investigate alleged plans of the WPB, CPA, and other Government agencies to simplify and standardize production, marketing, and distribution through grade labeling, elimination of brand names, concentration of industry or production, etc. (pp. 3301-14). Rep. Wasielewski, Wis., criticized the canning-industry curtailment of orders for certain vegetables from farmers (p. 3302). Rep. Halleck, Ind., criticized the proposed grade-labeling program by "bureaucratic decree" (pp. 3303-05). Rep. Patman, Tex., inserted the Small Business Committee report urging action to prevent bankruptcy of small packers and slaughterers (p. 3309). Rep. Pace, Ga., criticized prices paid to farmers, stating that can manufacturers received more for the cans than the farmers received for the contents (p. 3314).
2. Personnel; overtime pay. Reps. Ramspeck, Randolph, McMillan, Rees of Kans., and Kilburn were appointed conferees on H. R. 1360, to provide for overtime compensation to Government employees (p. 3294). Senate conferees have not been appointed.
3. Dairy industry; price control. Rep. Hall, N. Y., inserted his letter to Price Administrator Brown urging establishment of ceiling prices on "corn in such a way as to make it possible for my farmers to buy sufficient feed to last thru the remainder of the year" (pp. 3293-94).

4. Sugar. Rep. Crawford, Mich., urged Government action to insure sufficient supplies of sugar for home canning (p. 3293.)
5. Post-war planning. Rep. Rees, Kans., criticized "the vast amount of duplication and red tape within the various departments" and stated that "about 25 different agencies of our Government are giving attention and study to the question of post-war planning" (p. 3292).
6. Research. Rep. Hobbs, Ala., spoke in favor of establishing a George Washington Carver memorial in Ala. (p. 3291).
7. Publications. Rep. Case, S. Dak., commended the OWI "program to save paper through curtailing" publications (p. 3292).
8. Taxation. Reps. Scott, Pa., and Disney, Okla., (pp. 3292-93), and Rep. Angell, Oreg., (pp. 3307-08) discussed the "delay" in tax legislation. Reps. Bolton and Bender, Ohio, discussed the pay-as-you-go income-tax question (pp. 3293-94).
9. Dairy industry. Rep. Hoffman, Mich., criticized attempts to intimidate dairy drivers in Mich. by "union racketeers" (pp. 3314-15).
10. Civilian defense. Received from the President an appropriation estimate of \$5,949,550 for the Office of Civilian Defense for fiscal year 1944 (H. Doc. 153) (p. 3316).
11. Incentive payments. Received a petition from the First National Bank of Franklin, Tex., favoring "incentive payments instead of price supports" (p. 3316).
12. Adjourned until Mond., Apr. 12 (p. 3316). Majority Leader McCormack announced the legislative program, as follows: Mon., H. R. 1730, the Kilday bill on draft deferments; Tues., the Panama Treaty bill; and starting on Wed., the agricultural appropriation bill, the D. C. appropriation bill, and the conference report on H. R. 1860, the overtime-pay bill (p. 3314).

SENATE

Not in session. Next meeting Mon., Apr. 19.

BILLS INTRODUCED

13. Selective service; taxation. By Rep. Sauthoff, Wis., H. R. 2460, to amend the Selective Training and Service Act to give the local boards access to Federal income-tax returns of registrants claiming dependency deferment. To Military Affairs Committee. (p. 3316.)

ITEMS IN APPENDIX

14. Food production. Extension of remarks of Rep. Clevenger, Ohio, inserting a table showing farm payments made by the Department during recent years and stating that "the table should be conclusive evidence of the fallacy of the New Deal agricultural program" (p. A1880).

78TH CONGRESS
1ST SESSION

H. R. 1860

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1943

Ordered to be printed with the amendment of the Senate

AN ACT

To provide for the payment of overtime compensation to Government employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act shall apply to all civilian officers and em-
4 ployees in or under the United States Government, including
5 Government-owned or controlled corporations, and to those
6 employees of the District of Columbia municipal govern-
7 ment who occupy positions subject to the Classification Act
8 of 1923, as amended, except that this Act shall not apply
9 to (a) elected officials; (b) judges; (c) heads of depart-
10 ments, independent establishments, and agencies; (d) offi-
11 cers and employees in the field service of the Post Office

1 Department; (e) employees whose wages are fixed on a
2 daily or hourly basis and adjusted from time to time in
3 accordance with prevailing rates by wage boards or similar
4 administrative authority serving the same purpose; and (f)
5 employees outside the continental limits of the United States,
6 including Alaska, who are paid in accordance with local
7 prevailing native wage rates for the area in which employed.

8 SEC. 2. Officers and employees to whom this Act ap-
9 plies shall be paid overtime compensation for work in excess
10 of forty hours in any administrative workweek at a rate
11 of one and one-half times their basic rates of compensation:
12 *Provided*, That no overtime compensation shall be paid on
13 any portion of an officer's or employee's basic rate of com-
14 pensation in excess of \$2,900 per annum, and each such em-
15 ployee shall be paid only such overtime compensation or por-
16 tion thereof as will not cause his aggregate compensation to
17 exceed a rate of \$5,000 per annum: *And provided further*,
18 That in computing the overtime compensation of per annum
19 officers and employees, the base pay for one day shall be
20 considered to be one three-hundred-and-sixtieth of the re-
21 spective per annum salaries, and the base pay for one hour
22 shall be considered to be one-eighth of the base pay so com-
23 puted for one day.

24 SEC. 3. Officers and employees to whom this Act ap-
25 plies and whose compensation is based upon other than a

1 time period basis, or whose hours of duty are intermittent,
2 irregular, or less than full time, and officers and employees
3 in or under the legislative and judicial branches (except those
4 in the Library of Congress, the Botanic Garden, and per
5 annum employees in or under the Office of the Architect of
6 the Capitol who are regularly required to work not less than
7 forty-eight hours per week, who shall be paid pursuant to the
8 terms of section 2 of this Act) to whom this Act applies,
9 and officers and employees whose working conditions, on
10 recommendation of the head of the department or agency and
11 approved by the Civil Service Commission, are found to be
12 such as to render an overtime work schedule impracticable,
13 shall be paid additional compensation, in lieu of the overtime
14 compensation authorized under section 2 of this Act, amount-
15 ing to 15 per centum of so much of their earned basic com-
16 pensation as is not in excess of a rate of \$2,900 per annum,
17 and each such employee shall be paid only such additional
18 compensation or portion thereof as will not cause his aggre-
19 gate compensation to exceed a rate of \$5,000 per annum.

20 SEC. 4. The Act approved February 10, 1942 (Public
21 Law Numbered 450, Seventy-seventh Congress), and sec-
22 tion 4 of the Act approved May 2, 1941 (Public Law
23 Numbered 46, Seventy-seventh Congress), as amended, are
24 hereby repealed.

25 SEC. 5. The provisions of the Saturday half-holiday

1 law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.
 2 26 (a)); are hereby suspended for the period during which
 3 this Act is in effect.

4 SEC. 6. The provisions of this Act shall not operate to
 5 prevent payment for overtime services in accordance with
 6 any of the following statutes: Act of February 13, 1911,
 7 as amended (U. S. C., title 19, sees. 261 and 267); Act
 8 of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.
 9 394); Act of June 17, 1930, as amended (U. S. C., title
 10 19, sees. 1450, 1451, and 1452); Act of March 2, 1931
 11 (46 Stat. 1467; U. S. C., title 8, sees. 109a and 109b);
 12 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
 13 title 46, sec. 382b); Act of March 23, 1941 (Public Law
 14 Numbered 20, Seventy-seventh Congress): *Provided*, That
 15 the overtime services covered by such payment shall not also
 16 form a basis for overtime compensation under this Act.

17 SEC. 7. Whenever the Civil Service Commission shall
 18 find that within the same Government organization and at
 19 the same location gross inequities exist to such an extent as
 20 to interfere with the prosecution of the war, between basic
 21 per annum rates of pay fixed for any class of positions under
 22 the Classification Act of 1923, as amended, and the com-
 23 pensation of employees whose basic rates of pay are fixed by
 24 wage boards or similar administrative authorities serving the
 25 same purpose, the Commission is hereby empowered in order

1 to correct or reduce such inequities to establish as the mini-
2 mum rate of pay for such class of positions any rate within
3 the range of pay fixed by the Classification Act of 1923, as
4 amended, for the grade to which such class of positions is
5 allocated under such Act.

6 SEC. 8. The heads of departments and agencies in the
7 executive branch, whose employees are affected by the pro-
8 visions of this Act, shall present to the Director of the Bureau
9 of the Budget and to the Congress such information as the
10 Director shall from time to time, but not less frequently than
11 the first day of January and July of each year, require for
12 the purpose of determining the number of employees required
13 for the proper and efficient exercise of the functions of their
14 respective departments and agencies. The Director shall
15 from time to time, but not less frequently than the begin-
16 ning of each six months, determine the number of employees
17 so required, and any personnel of any such department or
18 agency in excess thereof shall be released at such times as the
19 Director shall order. Such determination shall be reported
20 to the Congress January 1 and July 1 of each year.
21 Sections 2 and 3 of this Act shall cease to be applicable to
22 the employees of such department or agency unless the head
23 thereof shall certify within thirty days from the effective
24 date so prescribed by the Director that the number of em-
25 ployees of his agency does not exceed the number determined

1 by the Director to be required for the proper and efficient
2 exercise of its functions. Any determinations and directions
3 made by the Director under the authority of Public Law
4 821, Seventy-seventh Congress, are hereby continued in
5 effect until modified by him. The Civil Service Commission
6 is authorized to transfer to other departments and agencies
7 any employees released pursuant to this section whose serv-
8 ices are needed in and can be effectively utilized by such
9 other departments or agencies, and the services of these em-
10 ployees are to be utilized by the departments and agencies
11 before additional employees are recruited.

12 SEC. 9. The Civil Service Commission is authorized
13 and directed to take such action and to promulgate such rules
14 and regulations as may be necessary and proper for the
15 purpose of coordinating and supervising the administration
16 of the provisions of this Act, and for the purpose of adjust-
17 ing present methods of converting annual rates of pay into
18 daily and hourly rates for all purposes so as to conform with
19 the method prescribed by this Act.

20 SEC. 10. Representatives, Delegates, the Resident Com-
21 missioner from Puerto Rico; and chairmen of standing com-
22 mittees may rearrange or change the schedule of salaries and
23 the number of employees in their respective offices or com-
24 mittees: *Provided*, That such changes shall not increase the
25 aggregate of the salaries provided for such offices or com-

1 mittees by law: *Provided further*, That no salary shall be
 2 fixed hereunder at a rate in excess of \$4,500 per annum and
 3 no action shall be taken to reduce any salary which is specifi-
 4 cally fixed by law at a rate higher than \$4,500: *Provided*
 5 *further*, That Representatives, Delegates, the Resident Com-
 6 missioner from Puerto Rico, and committee chairmen, on or
 7 before the tenth day of the month in which such changes
 8 are to become effective, shall certify in writing such changes
 9 or rearrangements to the disbursing office which shall there-
 10 after pay such employees in accord with such changed
 11 schedule.

12 SEC. 11. This Act shall take effect on May 1, 1943,
 13 and shall terminate on June 30, 1945, or such earlier date
 14 as the Congress by concurrent resolution may prescribe.

15 SEC. 12. This Act may be cited as the "War Over-
 16 time Pay Act of 1943".

17 That this Act shall apply to all civilian officers and em-
 18 ployees (including officers and employees whose wages are
 19 fixed on a monthly or yearly basis and adjusted from time
 20 to time in accordance with prevailing rates by wage boards
 21 or similar administrative authority serving the same pur-
 22 pose, except those in or under the Government Printing
 23 Office or the Tennessee Valley Authority) in or under the
 24 United States Government, including Government-owned or
 25 controlled corporations, and to those employees of the Dis-

1 trict of Columbia municipal government who occupy posi-
 2 tions subject to the Classification Act of 1923, as amended,
 3 except that this Act shall not apply to (a) elected officials;
 4 (b) judges; (c) heads of departments, independent establish-
 5 ments, and agencies; (d) officers and employees in the field
 6 service of the Post Office Department; (e) employees whose
 7 wages are fixed on a daily or hourly basis and adjusted from
 8 time to time in accordance with prevailing rates by wage
 9 boards or similar administrative authority serving the same
 10 purpose; (f) employees outside the continental limits of
 11 the United States, including Alaska, who are paid in accord-
 12 ance with local prevailing native wage rates for the area in
 13 which employed; (g) officers and employees of the Inland
 14 Waterways Corporation; and (h) individuals to whom the
 15 provisions of section 1 (a) of the Act entitled "An Act to
 16 amend and clarify certain provisions of law relating to
 17 functions of the War Shipping Administration, and for other
 18 purposes", approved March 24, 1943 (Public Law ,
 19 Seventy-eighth Congress), are applicable.

20 SEC. 2. Except as provided in section 3, officers and
 21 employees to whom this Act applies shall be paid overtime
 22 compensation computed on the same basis as the overtime
 23 compensation which was authorized to be paid under Public
 24 Law Numbered 821, Seventy-seventh Congress: Provided,
 25 That such overtime compensation shall be paid only on the

1 portion of an officer's or employee's basic rate of compen-
2 sation not in excess of \$2,900 per annum: And provided
3 further, That such overtime compensation shall be paid on
4 such portion of an officer's or employee's basic rate of compen-
5 sation notwithstanding the fact that such payment will cause
6 his aggregate compensation to exceed a rate of \$5,000 per
7 annum: And provided further, That in lieu of overtime com-
8 pensation for work in excess of forty-eight hours in any ad-
9 ministrative workweek, the heads of departments, establish-
10 ments, and agencies may in their discretion grant per annum
11 employees compensatory time off from duty.

12 SEC. 3. (a) Except as provided in subsection (c),
13 officers and employees to whom this Act applies and whose
14 hours of duty are intermittent or irregular, officers and em-
15 ployees in or under the legislative and judicial branches (ex-
16 cept those in the Library of Congress, or the Botanic Garden,
17 and per annum employees in or under the Office of the
18 Architect of the Capitol who are regularly required to
19 work not less than forty-eight hours per week) to whom this
20 Act applies, and, subject to the approval of the Civil Service
21 Commission, officers and employees whose hours of work are
22 governed by those of private establishments which they serve
23 and for whom on this account overtime work schedules are
24 not feasible, shall be paid, in lieu of the overtime compensation

1 authorized under section 2 of this Act, additional compensa-
2 tion at a rate of \$300 per annum.

3 (b) Except as provided in subsection (c), any officer or
4 employee to whom this Act applies, and who is entitled to no
5 additional compensation under subsection (a), shall be paid
6 for any pay period, in lieu of overtime compensation under
7 section 2, additional compensation at the rate of \$300 per
8 annum, unless his overtime compensation under section 2 for
9 such pay period is at least equal to such additional compensa-
10 tion.

11 (c) Any officer or employee to whom this Act applies
12 and whose hours of duty are less than full time shall be
13 paid, in lieu of overtime compensation or additional com-
14 pensation under the foregoing provisions of this Act, addi-
15 tional compensation at a rate of $12\frac{1}{2}$ cents per hour for the
16 hours which such officer or employee is required to work:
17 Provided, That officers and employees to whom this Act
18 applies and whose compensation is based upon other than a
19 time period basis shall be paid, in lieu of overtime compensa-
20 tion or additional compensation under the foregoing provi-
21 sions of this Act, additional compensation amounting to 10
22 per centum of so much of their earned basic compensation
23 for any pay period as is not in excess of a rate of \$3,000
24 per annum: And provided further, That employees of the
25 House and Senate Restaurants shall be paid, in lieu of over-

1 *time compensation or additional compensation under the fore-*
2 *going provisions of this Act, additional compensation amount-*
3 *ing to 20 per centum of so much of their earned basic compen-*
4 *sation as is not in excess of a rate of \$2,900 per annum: And*
5 *provided further, That no officer or employee shall be paid*
6 *additional compensation under this section amounting to more*
7 *than 25 per centum of his earned basic compensation.*

8 *SEC. 4. The provisions of section 3 of this Act shall*
9 *apply to the official reporters of proceedings and debates of*
10 *the Senate and their employees; and the provisions of the*
11 *Civil Service Retirement Act, approved May 29, 1930, as*
12 *amended, shall be applicable to any such official reporter or*
13 *any such employee upon application therefor duly made to*
14 *the Civil Service Commission.*

15 *SEC. 5. The Act approved February 10, 1942 (Pub-*
16 *lic Law Numbered 450, Seventy-seventh Congress), and*
17 *section 4 of the Act approved May 2, 1941 (Public Law*
18 *Numbered 46, Seventy-seventh Congress), as amended, are*
19 *hereby repealed.*

20 *SEC. 6. The provisions of the Saturday half-holiday law*
21 *of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec.*
22 *26 (a)), are hereby suspended for the period during which*
23 *this Act is in effect.*

24 *SEC. 7. The provisions of this Act shall not operate to*
25 *prevent payment for overtime services in accordance with*

1 any of the following statutes: Act of February 13, 1911,
2 as amended (U. S. C., title 19, secs. 261 and 267); Act
3 of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec.
4 394); Act of June 17, 1930, as amended (U. S. C., title
5 19, secs. 1450, 1451, and 1452); Act of March 2, 1931
6 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b);
7 Act of May 27, 1936, as amended (52 Stat. 345; U. S. C.,
8 title 46, sec. 382b); Act of March 23, 1941 (Public Law
9 Numbered 20, Seventy-seventh Congress): Provided, That
10 the overtime services covered by such payment shall not also
11 form a basis for overtime compensation under this Act.

12 SEC. 8. Whenever the Civil Service Commission shall
13 find that within the same Government organization and at the
14 same location gross inequities exist, to such extent as to inter-
15 fere with the prosecution of the war, between basic per annum
16 rates of pay fixed under the Classification Act of 1923, as
17 amended, for storemen, stockmen, or inspectors in or under
18 the Navy Department, or storekeepers, stockkeepers, inspec-
19 tors, truck drivers, or elevator operators in or under the
20 War Department, and the compensation of employees whose
21 basic rates of pay are fixed by wage boards or similar admin-
22 istrative authority serving the same purpose, the Commis-
23 sion is hereby empowered, in order to correct or reduce such
24 inequities, to establish as the minimum rate of pay for such
25 class of positions any rate within the range of pay fixed by

1 *the Classification Act of 1923, as amended, for the grade to*
2 *which such class of positions is allocated under such Act.*

3 *SEC. 9. The Civil Service Commission is authorized and*
4 *directed to promulgate such rules and regulations as may be*
5 *necessary and proper for the purpose of coordinating and*
6 *supervising the administration of the provisions of the fore-*
7 *going sections of this Act insofar as such provisions affect*
8 *employees in or under the executive branch of the Government.*

9 *SEC. 10. The heads of departments and agencies in the*
10 *executive branch, whose employees are affected by the pro-*
11 *visions of this Act, shall present to the Director of the Bureau*
12 *of the Budget and to the Congress such information as the*
13 *Director shall from time to time, but not less frequently than*
14 *the first day of each quarter, require for the purpose of deter-*
15 *mining the number of employees required for the proper and*
16 *efficient exercise of the functions of their respective departments*
17 *and agencies. The Director shall from time to time, but not*
18 *less frequently than the thirtieth day after the beginning of each*
19 *quarter, determine the number of employees so required, and*
20 *any personnel of any such department or agency in excess*
21 *thereof shall be released at such times as the Director shall*
22 *order. Such determination shall be reported to the Congress*
23 *each quarter. Sections 2 and 3 of this Act shall cease to be*
24 *applicable to the employees of such department or agency*
25 *unless the head thereof shall certify within thirty days from the*

1 effective date so prescribed by the Director that the number of
2 employees of his agency does not exceed the number determined
3 by the Director to be required for the proper and efficient
4 exercise of its functions. Any determinations and directions
5 made by the Director under the authority of Public Law
6 821, Seventy-seventh Congress, are hereby continued in effect
7 until modified by him. The Civil Service Commission is
8 authorized to transfer to other departments and agencies any
9 employees released pursuant to this section whose services
10 are needed in and can be effectively utilized by such other
11 departments or agencies, and the services of these employees
12 are to be utilized by the departments and agencies before
13 additional employees are recruited.

14 *SEC. 11. Amounts received as overtime compensation or*
15 *additional compensation under this Act shall not be considered*
16 *in determining the amount of a person's annual income or*
17 *annual rate of compensation for the purposes of paragraph*
18 *II (a) of part III of Veterans Regulation Numbered 1 (a),*
19 *as amended, or section 212 of title II of the Act entitled "An*
20 *Act making appropriations for the Legislative Branch of the*
21 *Government for the fiscal year ending June 30, 1933, and*
22 *for other purposes", approved June 30, 1932, as amended.*

23 *SEC. 12. This Act shall not apply to civilian employees*
24 *of the Transportation Corps of the Army of the United*
25 *States on vessels operated by the United States or to vessel*

1 employees of the Coast and Geodetic Survey, and such em-
2 ployees may be compensated in accordance with the wage
3 practices of the maritime industry.

4 *SEC. 13. This Act shall take effect on May 1, 1943,*
5 *and shall terminate on June 30, 1944, or such earlier date*
6 *as the Congress by concurrent resolution may prescribe;*
7 *except that the termination date contained in this section shall*
8 *not be applicable to so much of section 4 as relates to the*
9 *applicability of the Civil Service Retirement Act, approved*
10 *May 29, 1930, as amended, to the official reporters of pro-*
11 *ceedings and debates of the Senate and their employees.*

12 SEC. 14. *This Act may be cited as the “War Overtime*
13 *Pay Act of 1943”.*

SEC. 15. The provisions of sections 2 and 3 of this Act shall not be applicable to any person who is a member of any local union (the members of which are employed in any governmental agency) which discriminates against, or denies membership to, any person because of race, color, or creed.

Passed the House of Representatives April 5, 1943.

Attest:

SOUTH TRIMBLE.

Clerk.

Passed the Senate with an amendment April 9 (legislative day, April 6), 1943.

Attest:

EDWIN A. HALSEY,

Secretary.

AN ACT

To provide for the payment of overtime compensation to Government employees, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1943

Ordered to be printed with the amendment of the
Senate

WAR OVERTIME PAY ACT OF 1943

APRIL 15, 1943.—Ordered to be printed

Mr. RAMSPECK, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 1860]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1860) to provide for the payment of overtime compensation to Government employees, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act shall apply to all civilian officers and employees (including officers and employees whose wages are fixed on a monthly or yearly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose, except those in or under the Government Printing Office or the Tennessee Valley Authority) in or under the United States Government, including Government-owned or controlled corporations, and to those employees of the District of Columbia municipal government who occupy positions subject to the Classification Act of 1923, as amended, except that this Act shall not apply to (a) elected officials; (b) judges; (c) heads of departments, independent establishments, and agencies; (d) officers and employees in the field service of the Post Office Department; (e) employees whose wages are fixed on a daily or hourly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose; (f) employees outside the continental limits of the United States, including Alaska, who are paid in accordance with local prevailing native wage rates for the area in which employed; (g) officers and employees of the Inland Waterways Corporation, and (h) individuals to whom the provisions of section 1 (a) of the Act entitled

"An Act to amend and clarify certain provisions of law relating to functions of the War Shipping Administration, and for other purposes", approved March 24, 1943 (Public Law Numbered 17, Seventy-eighth Congress), are applicable. As used in this section the term "elected officials" shall not include officers elected by the Senate or House of Representatives who are not members of either body.

SEC. 2. Officers and employees to whom this Act applies and who are not entitled to additional compensation under section 3 shall be paid overtime compensation computed on the same basis as the overtime compensation which was authorized to be paid under Public Law Numbered 821, Seventy-seventh Congress: Provided, That such overtime compensation shall be paid only on the portion of an officer's or employee's basic rate of compensation not in excess of \$2,900 per annum: And provided further, That such overtime compensation shall be paid on such portion of an officer's or employee's basic rate of compensation notwithstanding the fact that such payment will cause his aggregate compensation to exceed a rate of \$5,000 per annum: And provided further, That in lieu of overtime compensation for work in excess of forty-eight hours in any administrative workweek, the heads of departments, establishments, and agencies may in their discretion grant per annum employees compensatory time off from duty.

SEC. 3. (a) Except as provided in subsection (c), officers and employees to whom this Act applies and whose hours of duty are intermittent or irregular, officers and employees in or under the legislative and judicial branches (except those in the Library of Congress, or the Botanic Garden, and per annum employees in or under the Office of the Architect of the Capitol who are regularly required to work not less than forty-eight hours per week) to whom this Act applies, and, subject to the approval of the Civil Service Commission, officers and employees whose hours of work are governed by those of private establishments which they serve and for whom on this account overtime work schedules are not feasible, shall be paid, in lieu of the overtime compensation authorized under section 2 of this Act, additional compensation at the rate of (1) \$300 per annum if their earned basic compensation is at a rate of less than \$2,000 per annum, or (2) 15 per centum of so much of their earned basic compensation as is not in excess of a rate of \$2,900 per annum if their earned basic compensation is at a rate of \$2,000 per annum or more.

(b) Any officer or employee to whom this Act applies and who is entitled to no additional compensation under subsection (a) or subsection (c) for a pay period, shall be paid for such pay period, in lieu of overtime compensation under section 2, additional compensation at the rate of \$300 per annum, unless his overtime compensation under section 2 for such pay period is at least equal to such additional compensation.

(c) Any officer or employee to whom this Act applies and whose hours of duty are less than full time, or whose compensation is based upon other than a time period basis shall be paid, in lieu of overtime compensation or additional compensation under the foregoing provisions of this Act, additional compensation at a rate of 15 per centum of so much of their earned basic compensation as is not in excess of a rate of \$2,900 per annum.

(d) In no case shall any officer or employee be paid additional compensation under this section for any pay period amounting to more than 25 per centum of his earned basic compensation for such pay period.

SEC. 4. The provisions of section 3 of this Act shall apply to the official reporters of proceedings and debates of the Senate and their employees.

SEC. 5. The Act approved February 10, 1942 (Public Law Numbered 450, Seventy-seventh Congress), and section 4 of the Act approved May 2, 1941 (Public Law Numbered 46, Seventy-seventh Congress), as amended, are hereby repealed.

SEC. 6. The provisions of the Saturday half-holiday law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec. 26 (a)), are hereby suspended for the period during which this Act is in effect.

SEC. 7. The provisions of this Act shall not operate to prevent payment for overtime services in accordance with any of the following statutes: Act of February 13, 1911, as amended (U. S. C., title 19, secs. 261 and 267); Act of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec. 394); Act of June 17, 1930, as amended (U. S. C., title 19, secs. 1450, 1451, and 1452); Act of March 2, 1931 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b); Act of May 27, 1936, as amended (52 Stat. 345; U. S. C., title 46, sec. 382b); Act of March 23, 1941 (Public Law Numbered 20, Seventy-seventh Congress): Provided, That the overtime services covered by such payment shall not also form a basis for overtime compensation under this Act.

SEC. 8. Whenever the Civil Service Commission shall find that within the same Government organization and at the same location gross inequities exist, to such extent as to interfere with the prosecution of the war, between basic per annum rates of pay fixed for any class of positions under the Classification Act of 1923, as amended, and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is hereby empowered, in order to correct or reduce such inequities, to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by the Classification Act of 1923, as amended, for the grade to which such class of positions is allocated under such Act.

SEC. 9. The Civil Service Commission is authorized and directed to promulgate such rules and regulations as may be necessary and proper for the purpose of coordinating and supervising the administration of the provisions of the foregoing sections of this Act insofar as such provisions affect employees in or under the executive branch of the Government.

SEC. 10. Representatives, Delegates, the Resident Commissioner from Puerto Rico, and chairmen of standing committees may rearrange or change the schedule of salaries and the number of employees in their respective offices or committees: Provided, That such changes shall not increase the aggregate of the salaries provided for such offices or committees by law: Provided further, That no salary shall be fixed hereunder at a rate in excess of \$4,500 per annum and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than \$4,500: Provided further, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the tenth day of the month in which such changes are to become effective, shall certify in writing such changes or rearrangements to the disbursing office which shall thereafter pay such employees in accord with such changed schedule.

SEC. 11. The heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this Act, shall present to the Director of the Bureau of the Budget and to the Congress such information as the Director shall from time to time, but not less frequently than the first day of each quarter, require for the purpose of

determining the number of employees required for the proper and efficient exercise of the functions of their respective departments and agencies. The Director shall from time to time, but not less frequently than the thirtieth day after the beginning of each quarter, determine the number of employees so required, and any personnel of any such department or agency in excess thereof shall be released at such times as the Director shall order. Such determination shall be reported to the Congress each quarter. Sections 2 and 3 of this Act shall cease to be applicable to the employees of such department or agency unless the head thereof shall certify within thirty days from the effective date so prescribed by the Director that the number of employees of his agency does not exceed the number determined by the Director to be required for the proper and efficient exercise of its functions. Any determinations and directions made by the Director under the authority of Public Law 821, Seventy-seventh Congress, are hereby continued in effect until modified by him. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section whose services are needed in and can be effectively utilized by such other departments or agencies, and the services of these employees are to be utilized by the departments and agencies before additional employees are recruited.

SEC. 12. Amounts received as overtime compensation or additional compensation under this Act shall not be considered in determining the amount of a person's annual income or annual rate of compensation for the purposes of paragraph II (a) of part III of Veterans Regulation Numbered 1 (a), as amended, or section 212 of title II of the Act entitled "An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes", approved June 30, 1932, as amended.

SEC. 13. This Act shall not apply to civilian employees of the Transportation Corps of the Army of the United States on vessels operated by the United States or to vessel employees of the Coast and Geodetic Survey, and such employees may be compensated in accordance with the wage practices of the maritime industry.

SEC. 14. This Act shall take effect on May 1, 1943, and shall terminate on June 30, 1945, or such earlier date as the Congress by concurrent resolution may prescribe.

SEC. 15. This Act may be cited as the "War Overtime Pay Act of 1943."

And the Senate agrees to the same.

ROBERT RAMSPECK,
JENNINGS RANDOLPH,
JNO. L. McMILLAN,
CLARENCE E. KILBURN,

Managers on the part of the House.

JAS. M. MEAD,
WALTER F. GEORGE,
WILLIAM LANGER,
HARRY F. BYRD,
HAROLD H. BURTON,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1860) to provide for the payment of overtime compensation to Government employees, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1 of the conference agreement is the same as section 1 of the House bill with the following exceptions:

(1) The conference agreement extends the act to officers and employees whose wages are fixed on a monthly or yearly basis and adjusted from time to time in accordance with prevailing rates by wage boards, except those in or under the Government Printing Office or the Tennessee Valley Authority. There was no corresponding provision in the House bill.

(2) The conference agreement excludes from the operation of the act officers and employees of the Inland Waterways Corporation and officers and members of crews employed through the War Shipping Administration. There was no corresponding provision in the House bill.

(3) Under the conference agreement the term "elected officials" is stated not to include officers elected by the Senate or House of Representatives who are not members of either body. There was no corresponding provision in the House bill.

Section 2 of the conference agreement provides for the payment to officers and employees to whom the act applies of overtime compensation for work in excess of 40 hours per week at the rate of time and one-half. The overtime compensation is paid only on so much of the basic compensation as does not exceed the rate of \$2,900 per annum, but is to be paid notwithstanding the fact that the payment will cause the aggregate compensation to exceed a rate of \$5,000 per annum. The heads of departments, establishments, and agencies are given discretion to grant per annum employees compensatory time off from duty in lieu of overtime compensation for work in excess of 48 hours in any workweek. Except as respects the "\$5,000 ceiling" and the authority to grant compensatory time off, the provisions of section 2 of the conference agreement have the same effect as the provisions of section 2 of the House bill.

Section 3 of the conference agreement provides for the payment, in lieu of overtime compensation under section 2, additional compensation at the rate of (1) \$300 per annum if the earned basic compensation is at a rate of less than \$2,000 per annum, or (2) 15 percent of so much of the earned basic compensation as is not in excess of a rate of \$2,900 per annum if the earned basic compensation is at a rate of \$2,000 per annum or more, except that officers and employees whose hours of duty are less than full time or whose compensation is based upon other than a time period basis are to receive in lieu of overtime

compensation additional compensation at the rate of 15 percent of so much of their earned basic compensation as is not in excess of a rate of \$2,900 per annum. The classes of officers and employees to whom section 3 of the conference agreement applies are substantially the same as those covered by section 3 of the House bill. Section 3 of the conference agreement also provides that if the overtime compensation under section 2 is at a rate less than \$300 per annum, the employee shall receive additional compensation under section 3 at the rate of \$300 per annum. In no case is any officer or employee to be paid additional compensation amounting to more than 25 percent of his earned basic compensation.

Section 3 of the conference agreement differs from section 3 of the House bill in that (1) the House bill contained no \$300 minimum; (2) the House bill contained no 25 percent over-all limit inasmuch as such a limit was unnecessary where the additional compensation was computed on a straight 15 percent basis; and (3) the House bill contained a "\$5,000 ceiling".

Section 4 of the conference agreement applies the provisions of section 3 to the official reporters of proceedings and debates of the Senate and their employees. There was no corresponding provision in the House bill.

Sections 5, 6, 7, and 8 of the conference agreement are the same as sections 4, 5, 6, and 7 of the House bill.

Section 9 of the conference agreement is substantially the same as section 9 of the House bill, except that the authority of the Civil Service Commission under this section is to be exercised only with respect to sections 1 to 8, inclusive, of the bill and only to the extent that such sections affect employees in the executive branch of the Government.

Section 10 of the conference agreement is the same as section 10 of the House bill.

Section 11 of the conference agreement is the same as section 8 of the House bill with the exception that the information required to be presented by the heads of departments and agencies to the Director of the Bureau of the Budget and the Congress is required to be presented not less frequently than the first day of each quarter. Under the House bill this information was required to be presented only in January and July of each year.

Section 12 of the conference agreement provides that the benefits under the act are not to be considered income or compensation for the purposes of laws which provide for forfeiture of pensions for a non-service-connected permanent and total disability and which provide for forfeiture of retirement benefits of emergency officers when the income of the beneficiary from other sources reaches a certain amount. There were no corresponding provisions in the House bill.

Section 13 of the conference agreement provides that the act is not to apply to civilian employees of the Transportation Corps of the Army on vessels operated by the United States or to vessel employees of the Coast and Geodetic Survey. There was no corresponding provision in the House bill.

Section 14 of the conference agreement provides that the act shall take effect on May 1, 1943, and terminate on June 30, 1945, or such earlier date as the Congress by concurrent resolution may prescribe. This section is the same as section 11 of the House bill.

Section 15 of the conference agreement is the same as section 12 of the House bill.

ROBERT RAMSPECK,
JENNINGS RANDOLPH,
JNO. L. McMILLAN,
CLARENCE E. KILBURN,
Managers on the part of the House.







SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS TO COVER
COST OF ADDITIONAL COMPENSATION GRANTED TO CERTAIN
EMPLOYEES OF THE FEDERAL GOVERNMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS FOR THE
FISCAL YEAR 1943, AMOUNTING IN ALL TO \$122,050,900, TO COVER
THE COST OF ADDITIONAL COMPENSATION GRANTED TO CER-
TAIN EMPLOYEES OF THE FEDERAL GOVERNMENT BY THE
ACT OF AUGUST 1, 1942 (PUBLIC LAW 694), THE ACT OF DECEMBER
22, 1942 (PUBLIC LAW 821), THE ACT OF APRIL 9, 1943 (PUBLIC
LAW 25), AND THE PENDING OVERTIME PAY BILL

MAY 3, 1943.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, April 24, 1943.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of
the Congress supplemental estimates of appropriations for the fiscal
year 1943, amounting in all to \$122,050,900, to cover the cost of
additional compensation granted to certain employees of the Federal
Government by the act of August 1, 1942 (Public Law 694), the act
of December 22, 1942 (Public Law 821), the act of April 9, 1943
(Public Law 25), and the pending overtime pay bill. This sum also
includes estimates submitted by the legislative establishment and the
judiciary to cover the cost of similar increased compensation for their
employees.

Note: See page 5 for Dept. of Agriculture estimate

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS

The details of these estimates, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, in whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., April 21, 1943.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriations for the fiscal year 1943, amounting in all to \$122,050,900, to cover the cost of additional compensation granted to certain employees of the Federal Government by the act of August 1, 1942 (Public Law 694), the act of December 22, 1942 (Public Law 821), the act of April 9, 1943 (Public Law 25), and the pending overtime pay bill. This sum also includes estimates submitted by the Legislative Establishment and the Judiciary to cover the cost of similar increased compensation for their employees.

The act of August 1, 1942 (Public Law 694), amended section 13 of the Classification Act of 1923, as amended, by increasing the salary rates of grades 1 and 2 of the "subprofessional service" and grades 1 to 8, inclusive, of the former "custodial service" which was renamed the "crafts, protective, and custodial service" by the same act. As this act became effective on August 1, 1942, the estimated costs shown herein are on an 11-month basis.

The act of December 22, 1942 (Public Law 821), extended until April 30, 1943, the period during which overtime compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241), and also provided for the payment of overtime compensation, or additional compensation in lieu thereof, to the majority of the civilian employees of the Federal Government not covered by the prior acts. As the provisions of this act were made retroactive to December 1, 1942, the estimated costs shown herein are for the 5-month period ending April 30, 1943.

The act of April 9, 1943 (Public Law 25), which becomes effective on May 1, 1943, provides for additional compensation for employees in the Postal Service whose rates of compensation are prescribed by the act of February 28, 1925, as amended, and all other officers and employees paid from appropriations made for the field service of the Post Office Department. The estimated costs under this act cover the 2-month period ending June 30, 1943.

There is now pending in Congress bill H. R. 1860, which provides for payment of overtime compensation or additional compensation in lieu thereof for the 2 remaining months of this fiscal year. For the purpose of this submission the provisions of H. R. 1860, as agreed to by the conferees of the House and Senate, have been used as the basis for estimating the cost of overtime compensation to be paid employees other than those covered by the act of April 9, 1943.

The following statement shows by departments, establishments, and agencies for the fiscal year 1943 (1) the total estimated cost of the pay increases under Public Law 694 (77th Cong.); (2) the total estimated cost of overtime pay under Public Law 821 (77th Cong.), Public Law 25 (78th Cong.), and H. R. 1860; (3) that portion of the cost which will be absorbed by existing appropriations; and (4) the remaining cost for which supplemental estimates under the proper appropriation titles are herewith submitted:

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS

Department or establishment	Total cost, Public Law 664, 77th Cong.	Total cost, Public Law 821, 77th Cong.	Total cost, H. R. 1860, Public Law 25	Grand total	Amount to be absorbed	Supplemental appropriation required
Legislative Establishment:						
Senate						
House of Representatives		\$89,282	\$64,039	\$153,321	\$145,644	\$7,677
Architect of the Capitol		155,767	131,000	286,767	48,218	238,549
Botanic Garden	857,641	45,451	39,374	142,466	63,938	78,528
Library of Congress	593	3,262	2,940	6,795	3,985	2,810
Government Printing Office	52,399	94,060	86,817	233,276	134,499	98,777
	362	96,297	35,661	132,350	42,920	89,430
The Judiciary:						
United States Supreme Court	14,115	12,655	6,550	33,320	30,754	2,566
Other Federal courts	144,820	144,891	117,877	293,288	103,793	189,495
Administrative Office of the United States Courts	275	7,625	6,668	14,568	11,820	2,748
EXECUTIVE OFFICE AND INDEPENDENT ESTABLISHMENTS						
Executive Office of the President:						
The White House Office	165	6,774	4,070	11,009	11,009	
Executive Mansion and Grounds		6,889	3,227	10,116	10,116	
Bureau of the Budget	1,744	62,897	49,100	113,741	113,741	
National Resources Planning Board	1,520	38,426	20,927	59,873	27,973	31,900
Liaison Office for Personnel Management	165	554	347	1,066	1,066	
Board of Economic Warfare	9,168	553,208	327,528	889,904	904	889,000
Office for Emergency Management						
Office of the Liaison Officer	70	2,054	1,313	3,437	3,437	
Division of Central Administrative Services	87,008	856,948	338,598	1,282,464	1,282,464	
National War Labor Board	1,078	167,711	143,834	312,623	312,623	
Office of Alien Property Custodian	3,723	168,901	107,846	293,570	293,570	
Office of Civilian Defense	4,295	205,281	103,474	313,050	313,050	
Office of Coordinator of Inter-American Affairs	2,640	110,104	72,403	185,149	185,149	
Office of Defense Health and Welfare Services	600	66,661	33,742	101,003	101,003	
Office of Defense Transportation	39,960	643,199	354,084	1,037,243	1,037,243	
Office of Economic Stabilization	74	63,829	869	1,772	1,772	
Office of Lend-Lease Administration	4,860	74,674	99,362	179,096	179,096	
Office of Scientific Research and Development	1,210	27,062	30,631	68,323	68,323	
Office of War Information	18,170	557,139	350,576	955,885	955,885	
War Manpower Commission	21,474	8,153,650	4,173,035	12,348,139	8,921,659	3,426,500
War Production Board	62,898	3,603,756	1,736,346	5,403,000	5,403,000	
War Relocation Authority	13,044	305,339	220,333	539,516	539,516	
War Shipping Administration	2,285	221,367	132,396	356,048	356,048	
Office of Censorship	74,000	1,280,970	719,030	2,074,000	2,074,000	
Office of Price Administration	40,017	6,686,064	3,724,028	10,450,109	343,778	10,450,000
Office of Strategic Services	7,005	170,858	170,858	343,778	343,778	
Petroleum Administration for War	1,900	164,000	169,500	275,400	275,400	
Independent establishments:						
American Battle Monuments Commission		682	280	962	962	
Bituminous Coal Consumers' Counsel		5,787	1,100	6,887	6,887	
Board of Investigation and Research—Transportation	2,781	24,679	13,663	41,123	41,123	

Civil Service Commission.....	1, 139, 424	504, 271	1, 655, 510	565, 510	1, 090, 000
Employees' Compensation Commission.....	72, 755	35, 399	109, 197	109, 197	
Federal Communications Commission.....	396, 526	183, 462	591, 323	291, 323	300, 000
Federal Deposit Insurance Corporation.....	198, 177	92, 874	290, 983	290, 983	
Federal Power Commission.....	106, 762	65, 851	174, 026	174, 026	
Federal Trade Commission.....	78, 851	43, 414	124, 048	124, 048	
General Accounting Office.....	1, 363, 051	738, 058	2, 114, 401	2, 114, 401	
Interstate Commerce Commission.....	370, 330	106, 195	541, 618	488, 818	52, 800
National Advisory Committee for Aeronautics.....	526, 670	261, 742	890, 729	872, 729	862, 000
National Archives.....	64, 452	25, 605	98, 561	98, 561	
National Capital Park and Planning Commission.....	627	1, 047	1, 047	1, 047	
National Labor Relations Board.....	138, 737	67, 114	208, 580	167, 710	40, 800
National Mediation Board.....	6, 481	7, 598	11, 985	10, 770	10, 700
Railroad Retirement Board.....	257, 706	121, 165	382, 446	382, 446	
Securities and Exchange Commission.....	201, 908	108, 550	314, 870	314, 870	
Smithsonian Institution.....	87, 550	48, 206	201, 273	125, 773	75, 500
Tariff Commission.....	54, 531	25, 222	50, 523	18, 023	62, 500
Tennessee Valley Authority.....	1, 478, 806	675, 877	2, 153, 773	2, 153, 773	
The Alley Dwelling Authority.....	13, 446	38, 072	69, 315	69, 315	
The Tax Court of the United States.....	55	19, 400	22, 006	22, 006	
United States Maritime Commission.....	38, 203	3, 318	9, 010, 148	35, 148	11, 875, 000
Veterans' Administration.....	1, 260, 344	648, 514	9, 898, 212	3, 063, 212	6, 775, 000
Federal Security Agency.....	5, 493, 631	2, 063, 773	6, 119, 996	3, 937, 296	2, 162, 700
Federal Works Agency.....	3, 628, 335	1, 704, 969	6, 507, 981	2, 091, 981	3, 816, 000
National Housing Agency.....	3, 418, 262	1, 398, 367	6, 507, 981	3, 188, 670	
Department of Agriculture.....	2, 118, 777	1, 011, 945	3, 188, 670	11, 083, 144	4, 819, 500
Department of Commerce.....	241, 948	5, 212, 432	13, 902, 644	5, 131, 205	1, 810, 700
Department of the Interior.....	10, 413, 713	2, 144, 915	6, 940, 564	6, 228, 914	4, 711, 650
Department of Justice.....	4, 013, 098	2, 071, 006	7, 931, 548	2, 389, 048	5, 542, 500
Department of Labor.....	4, 833, 570	2, 451, 442	7, 931, 548	938, 014	353, 400
Department of Post Office.....	556, 390	405, 783	1, 291, 414	34, 944, 122	61, 128, 300
Department of State.....	3, 092	10, 380, 820	64, 058, 389	2, 930, 089	1, 001, 600
Treasury Department.....	2, 067, 010	46, 831, 007	1, 002, 422	600, 822	
War Department.....	1, 180, 817	362, 467	17, 482, 957	6, 366, 557	
War Relocation Authority.....	517, 361	5, 719, 590			
Military Establishment.....	12, 896, 319	72, 047, 321	356, 097, 065	356, 097, 065	
Civilian Control.....	652, 722	1, 377, 652	8, 555, 572	7, 101, 600	
Panama Canal.....	12, 033	477, 308	1, 522, 558	1, 264, 758	
District of Columbia.....	256, 462	302, 953	1, 014, 115	650, 315	303, 800
Grand total.....	23, 977, 401	433, 427, 317	600, 807, 442	475, 066, 212	122, 050, 900
Less amounts available from corporate and prior year funds, etc.....					
Net total.....	23, 977, 401	433, 427, 317	600, 807, 442	475, 066, 212	

¹ This is an increase in the limitation for administrative expenses.

² Includes \$3,500 increase in limitation for prior year unobligated funds of Public Works Administration.

³ Includes \$290,000 increase in the limitation for administrative expenses for Commodity Credit Corporation.

⁴ Includes \$21,500 from operation and maintenance collections, \$2,600 from tribal funds, \$39,000 from power and other revenues, and \$1,790 from prior year unobligated funds.

⁵ Of this amount \$15,630,850 is chargeable to Public Law 23.

⁶ Includes \$913,800 increase in the limitation on the permanent indefinite appropriation "Expenses of loans, act Sept. 24, 1917, as amended and extended."

⁷ Includes \$44,800 for U. S. Soldiers' Home trust fund.

The estimates submitted by the various departments, establishments, and agencies have been carefully reviewed and revised by the Bureau of the Budget and every effort has been made to absorb as much as possible of the additional cost of these increases in compensation and only that portion of the cost which cannot be absorbed is recommended for consideration.

Supplemental estimates of appropriations required for the fiscal year 1943, listed by titles for the departments, establishments, and agencies concerned, are attached hereto.

Attention is invited to the general provision included in the estimate which provides for the waiving of certain restrictions to the extent necessary to meet the increases in compensation authorized by the above-mentioned acts, and other legislation enacted during and applicable to the fiscal year 1943 authorizing overtime compensation for civilian employees of the Government. This provision is essential because in many instances the appropriations and other funds available for expenditure for compensation of civilian personnel contain language limiting the amount which may be expended for personal services and for other purposes.

These estimates of appropriations are required in connection with legislation enacted and proposed since the transmission to the Congress of the Budget for the fiscal year 1943, and I recommend their approval.

Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS REQUIRED FOR THE FISCAL YEAR ENDING JUNE 30, 1943, BY DEPARTMENTS, ESTABLISHMENTS, AND AGENCIES

For additional amounts for appropriations for the fiscal year 1943, for the payment of increases in compensation authorized by the acts of August 1, 1942 (Public Law 694, 77th Cong.), December 22, 1942 (Public Law 821, 77th Cong.), April 9, 1943 (Public Law 25, 78th Cong.), and by legislation resulting from the enactment of H. R. 1860 (78th Cong.), as follows:

LEGISLATIVE ESTABLISHMENT

For—

"Reporting debates and proceedings, Senate, 1943"-----	\$846
"Salaries, Capitol Police, Senate, 1943"-----	6, 373
"Salaries and expenses, Joint Committee on Printing, Senate, 1943"-----	458
"Salaries, officers and employees, House of Representatives, 1943"-----	60, 402
"Clerk hire, Members and Delegates, House of Representatives, 1943"-----	177, 225
"Salaries, Capitol Police, House of Representatives, 1943"---	830
"Salaries and expenses, Joint Committee on Printing, House of Representatives, 1943"-----	62
"Capitol Building and repairs, 1943"-----	17, 100
"Maintenance, legislative garage, 1943"-----	1, 157
"Maintenance, Senate Office Building, 1943"-----	4, 500
"Maintenance, House Office Buildings, 1943"-----	23, 556
"Capitol power plant, 1943"-----	22, 237
"Library buildings and grounds, 1943"-----	9, 978
"Salaries, Botanic Garden, 1943"-----	2, 810
"Salaries, Library proper, Library of Congress, 1943"-----	36, 964
"Salaries, Copyright Office, Library of Congress, 1943"-----	2, 750
"Legislative Reference Service, Library of Congress, 1943"---	9, 070
"Distribution of card indexes, Library of Congress, 1943"---	7, 217
"Index to State legislation, Library of Congress, 1943"-----	1, 596

LEGISLATIVE ESTABLISHMENTS—Continued

For—Continued

"Union catalogs, Library of Congress, 1943"-----	\$476
"Salaries, Library buildings, Library of Congress, 1943"-----	40,704
"Salaries, Office of the Superintendent of Documents, 1943"-----	89,430

Total, Legislative Establishment-----	515,741
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THE JUDICIARY

For—

"Care of Supreme Court Building and grounds, 1943"-----	2,566
"Salaries, United States Court of Customs and Patent Appeals, 1943"-----	1,529
"Salaries and expenses of clerks, United States Courts, 1943"-----	141,338
"Probation system, United States Courts, 1943"-----	16,658
"Salaries, Administrative Office, United States Courts, 1943"-----	2,748

Total, The Judiciary-----	164,839
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EXECUTIVE OFFICE OF THE PRESIDENT

For—

"Salaries and expenses, National Resources Planning Board, 1943"-----	23,900
"National defense activities, National Resources Planning Board, 1943"-----	8,000
"Salaries and expenses, Board of Economic Warfare, 1943"-----	889,000
"Office for Emergency Management":	
"Selective Service System, War Manpower Commission, 1943"-----	2,603,000
"Grants to States, employment services, War Manpower Commission, 1943"-----	798,500
"Training within industry, War Manpower Commission, 1943"-----	25,000
"Salaries and expenses, War Production Board, 1943"-----	5,403,000
"Salaries and expenses, Office of Price Administration, 1943"-----	10,450,000

Total, Executive Office of the President-----	20,200,400
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INDEPENDENT ESTABLISHMENTS

For—

"Salaries and expenses, Civil Service Commission, 1943"-----	570,000
"Salaries and expenses, Civil Service Commission (national defense), 1943"-----	520,000
"Salaries and expenses, Federal Communications Commission, 1943"-----	85,000
"Salaries and expenses, Federal Communications Commission (national defense), 1943"-----	215,000
"Safety of employees, Interstate Commerce Commission, 1943"-----	29,300
"Signal safety systems, Interstate Commerce Commission, 1943"-----	1,900
"Locomotive inspection, Interstate Commerce Commission, 1943"-----	21,600
"Advisory Committee for Aeronautics, 1943"-----	852,000
"Salaries, National Labor Relations Board, 1943"-----	19,800
"Salaries and expenses, National Labor Relations Board (national defense), 1943"-----	21,000
"Salaries and expenses, National Mediation Board, 1943"-----	4,000
"Salaries and expenses, National Railroad Adjustment Board National Mediation Board, 1943"-----	6,700
"Preservation of collections, Smithsonian Institution, 1943"-----	53,040
"Salaries and expenses, National Gallery of Art, 1943"-----	22,460
"United States Tariff Commission, 1943"-----	62,500
"Construction fund, United States Maritime Commission, act of June 29, 1936, revolving fund, 1943" (increase in limitation for administrative expenses)-----	(1,875,000)
"Salaries and expenses, Veterans' Administration, 1943"-----	6,775,000

Total, independent establishments-----	9,259,300
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FEDERAL SECURITY AGENCY

For—

"Salaries, office of general counsel, Federal Security Agency, 1943"-----	\$21, 300
"Columbia Institution for the Deaf, Federal Security Agency, 1943"-----	12, 200
"Salaries and expenses, Food and Drug Administration, Federal Security Agency, 1943"-----	62, 600
"Salaries, Freedmen's Hospital, Federal Security Agency, 1943"-----	22, 700
"Salaries, Howard University, Federal Security Agency, 1943"-----	57, 000
"Salaries, Office of Education, 1943"-----	15, 200
"Library service and research, Office of Education, 1943"-----	780
"Salaries and expenses, vocational education, Office of Education, 1943"-----	11, 500
"Salaries and expenses, vocational rehabilitation, Office of Education, 1943"-----	3, 320
"Salaries and expenses, Office of Education (national defense), 1943"-----	24, 000
"Salaries, Office of Surgeon General, Public Health Service, 1943"-----	50, 400
"Pay of personnel and maintenance of hospitals, Public Health Service, 1943"-----	975, 000
"Expenses, Division of Mental Hygiene, Public Health Service, 1943"-----	71, 800
"Disease and sanitation investigations, Public Health Service, 1943"-----	5, 900
"Salaries and expenses, National Institute of Health, Public Health Service, 1943"-----	79, 200
"Emergency health and sanitation activities, Public Health Service (national defense), 1943"-----	289, 700
"Saint Elizabeths Hospital, Federal Security Agency, 1943"-----	105, 500
"Salaries, Offices of the Social Security Board, 1943"-----	28, 900
"Salaries, Bureau of Old-Age and Survivors' Insurance, Social Security Board, 1943"-----	322, 200
"Salaries, Bureau of Employment Security, Social Security Board, 1943"-----	3, 500
Total, Federal Security Agency-----	<u>2, 162, 700</u>

FEDERAL WORKS AGENCY

For—

"General administrative expenses, Public Buildings Administration, 1943"-----	45, 500
"Salaries and expenses, public buildings and grounds in the District of Columbia and adjacent area, Public Buildings Administration, 1943"-----	3, 000, 000
"Salaries and expenses, public buildings and grounds outside the District of Columbia, Public Buildings Administration, 1943"-----	767, 000
"Administrative expenses, Public Works Administration, 1943" (increase in limitation on prior year unobligated funds)-----	(3, 500)
Total, Federal Works Agency-----	<u>3, 812, 500</u>

DEPARTMENT OF AGRICULTURE

For—

"Salaries, office of Secretary of Agriculture, 1943"-----	90, 000
"Salaries and expenses, Library, Department of Agriculture, 1943"-----	39, 400
"Salaries and expenses, Bureau of Agricultural Economics, 1943"-----	205, 000
"Salaries and expenses, Office of Foreign Agricultural Relations, 1943"-----	22, 400
"Administrative expenses, Agricultural War Relations, Food Production Administration, 1943"-----	6, 000

DEPARTMENT OF AGRICULTURE—Continued

For—Continued.

"Administrative expenses, Agricultural War Relations, Food Distribution Administration, 1943"	\$1, 000
"Salaries and expenses, Office of Administrator, Agricultural Research Administration, 1943"	700
"Salaries and expenses, Experiment Stations, Agricultural Research Administration, 1943"	10, 500
"Salaries and expenses, Animal Industry, Agricultural Research Administration, 1943"	10, 000
"Salaries and expenses, Plant Industry, Soils, and Agricultural Engineering, 1943"	47, 000
"Salaries and expenses, Agricultural and Industrial Chemistry, Agricultural Research Administration, 1943"	1, 400
"Salaries and expenses, Entomology and Plant Quarantine, Agricultural Research Administration, 1943"	234, 000
"Salaries and expenses, Human Nutrition and Home Economics, Agricultural Research Administration, 1943"	9, 200
"Beltsville Research Center, Agricultural Research Administration, 1943"	7, 000
"White pine blister rust control, Department of Agriculture, 1943"	52, 000
"Salaries and expenses, Forest Service, 1943"	997, 000
"Forest fire cooperation, 1943"	2, 000
"Administrative expenses, Commodity Credit Corporation, Department of Agriculture, 1943" (increase in limitation for administrative expenses)	(230, 900)
"Salaries and expenses, Soil Conservation Service, 1943"	1, 535, 000
"Land utilization and retirement of submarginal land, Department of Agriculture, 1943"	80, 000
"Salaries and expenses, Marketing Service, Food Distribution Administration, 1943"	1, 239, 000
Total, Department of Agriculture	4, 588, 600

DEPARTMENT OF COMMERCE

For—

"Salaries, Office of the Secretary, 1943"	19, 800
"Expenses of the Sixteenth Census, 1943"	100, 000
"Salaries and expenses, Bureau of the Census, 1943"	217, 000
"General administration, Office of Administrator of Civil Aeronautics, 1943"	29, 000
"Maintenance of air-navigation facilities, Office of Administrator of Civil Aeronautics, 1943"	653, 000
"Maintenance and operation, Washington National Airport, Office of Administrator of Civil Aeronautics, 1943"	28, 000
"Magnetic and seismological work, Coast and Geodetic Survey, 1943"	6, 200
"Geodetic control surveys, Coast and Geodetic Survey, 1943"	30, 100
"Salaries, Coast and Geodetic Survey, 1943"	83, 800
"Aeronautical charts, Coast and Geodetic Survey, 1943"	24, 700
"Operation and administration, National Bureau of Standards, 1943"	47, 400
"Testing, inspection, and information service, National Bureau of Standards, 1943"	77, 500
"Research and development, National Bureau of Standards, 1943"	52, 800
"Standards for commerce, National Bureau of Standards, 1943"	16, 400
"Salaries and expenses, Weather Bureau, Department of Commerce, 1943"	425, 000
Total, Department of Commerce	1, 810, 700

DEPARTMENT OF THE INTERIOR

For—

"Salaries, Office of Secretary of the Interior, 1943"-----	*83, 000
"Salaries, Office of Solicitor, Department of the Interior, 1943"-----	15, 200
"Salaries and expenses, Grazing Service, Department of the Interior, 1943"-----	64, 300
"Salaries, General Land Office, 1943"-----	4, 500
"Salaries and commissions of registers of land offices, 1943"-----	1, 940
"Revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands, Oregon (reimbursable), 1943"-----	11, 630
"Salaries, Geological Survey, 1943"-----	8, 300
"Salaries, Bureau of Indian Affairs, 1943"-----	2, 500
"Maintaining law and order on Indian reservations, 1943"-----	7, 000
"Expenses of organizing Indian corporations, etc., 1943"-----	4, 300
"Expenses, sale of timber (reimbursable), 1943"-----	5, 000
"Maintenance, San Carlos Irrigation project, Gila River Reservation, Arizona (receipt limitation), 1943" (from operation and maintenance collections)-----	(18, 000)
"Improvement and maintenance, irrigation system, Colorado River Reservation, Arizona (reimbursable), 1943"-----	1, 000
"Improvement and maintenance, irrigation system, Colorado River Reservation, Arizona (receipt limitation), 1943" (from operation and maintenance collections)-----	(1, 000)
"Maintenance, irrigation systems, Fort Peck Reservation, Montana (reimbursable), 1943"-----	1, 000
"Improvement and maintenance, irrigation systems, Black-foot Reservation, Montana (reimbursable), 1943"-----	250
"Improvement and maintenance, irrigation systems, Crow Reservation, Montana (reimbursable), 1943"-----	500
"Improvement and maintenance, irrigation systems, Crow Reservation, Montana (receipt limitation), 1943" (from operation and maintenance collections)-----	(2, 500)
"Improvement and maintenance, irrigation systems, Klamath Reservation, Oregon (reimbursable), 1943"-----	350
"Maintenance, irrigation systems, Wind River Reservation and ceded lands, Wyoming (reimbursable), 1943"-----	2, 000
"Indian boarding schools, 1943"-----	85, 000
"Administration of Indian property, 1943"-----	50, 000
"Miscellaneous Indian tribal funds, 1943":	
Arizona: Pima (Camp McDowell), \$100, and Truxton Cañon, \$690, in all-----	(790)
California: Mission-----	(990)
Oregon: Klamath-----	(9, 900)
Utah: Uintah and Ouray-----	(220)
Washington: Colville, \$600, and Taholah, \$140, in all-----	(740)
Support of Osage Agency and pay of tribal officers, Oklahoma-----	(7, 400)
"Protection of project works, Bureau of Reclamation, (national defense), 1943"-----	50, 000
"Advances to Colorado dam fund, Boulder Canyon project, 1943" (from power and other revenues)-----	(29, 500)
"Reclamation fund, special fund, Kendrick project, Wyoming, 1943" (from power revenues)-----	(9, 500)
"Coal-mine inspections and investigations, Bureau of Mines, 1943"-----	39, 000
"Investigation of domestic sources of mineral supply, Bureau of Mines (national defense), 1943"-----	30, 000
"Manganese beneficiation pilot plants and research, Bureau of Mines (national defense), 1943"-----	60, 000
"Expenses, mining experiment stations, Bureau of Mines, 1943"-----	20, 000
"Care, etc., buildings and grounds, Bureau of Mines, Pittsburgh, Pennsylvania, 1943"-----	9, 900
"Magnesium pilot plants and research (national defense), 1943"-----	60, 000

DEPARTMENT OF THE INTERIOR—Continued

or—Continued.

"Salaries and expenses, Government of the Virgin Islands, 1943"-----	\$12, 250
"Salaries and expenses, agricultural experiment station and vocational school, Virgin Islands, 1943"-----	400
"Puerto Rican hurricane relief, administrative expenses, Department of the Interior, 1943" (increase limitation of use of available unobligated funds)-----	(1, 790)
Total, Department of the Interior-----	<u>629, 320</u>

DEPARTMENT OF JUSTICE

or—

"Salaries, Office of Assistant Solicitor General, Department of Justice, 1943"-----	1, 160
"Salaries, Office of Assistant to the Attorney General, 1943"-----	4, 800
"Salaries, Administrative Division, Department of Justice, 1943"-----	92, 800
"Salaries, Criminal Division, Department of Justice, 1943"-----	34, 100
"Salaries, Office of Pardon Attorney, Department of Justice, 1943"-----	2, 140
"Salaries and expenses, Lands Division, Department of Justice, 1943"-----	226, 000
"Miscellaneous salaries and expenses, field, Department of Justice, 1943"-----	10, 600
"Salaries and expenses of district attorneys, etc., Department of Justice, 1943"-----	264, 700
"Salaries and expenses of marshals, etc., Department of Justice, 1943"-----	89, 000
"Pay and expenses of bailiffs, Department of Justice, 1943"-----	20, 500
"Salaries and expenses, Federal Bureau of Investigation, 1943"-----	497, 000
"Salaries and expenses, Federal Bureau of Investigation (national defense), 1943"-----	2, 125, 000
"Salaries and expenses, Immigration and Naturalization Service, 1943"-----	1, 788, 000
"Penitentiaries and reformatories, maintenance, 1943"-----	358, 000
"Medical center for Federal prisoners, maintenance, 1943"-----	11, 900
"Support of United States prisoners, 1943"-----	16, 800
Total, Department of Justice-----	<u>5, 542, 500</u>

DEPARTMENT OF LABOR

or—

"Salaries, Office of the Secretary of Labor, 1943"-----	32, 400
"Salaries and expenses, Office of the Solicitor, Department of Labor, 1943"-----	13, 900
"Salaries and expenses, Division of Labor Standards, Department of Labor, 1943"-----	7, 500
"Salaries and expenses, safety and health program, Department of Labor (national defense), 1943"-----	11, 000
"Salaries and expenses, Commissioners of Conciliation, Department of Labor, 1943"-----	26, 300
"Salaries and expenses, Bureau of Labor Statistics, 1943"-----	107, 400
"Salaries and expenses, Bureau of Labor Statistics (national defense), 1943"-----	100, 000
"Salaries and expenses, Children's Bureau, 1943"-----	14, 900
"Salaries and expenses, child labor provisions, Fair Labor Standards Act, Children's Bureau, 1943"-----	10, 500
"Salaries and expenses, maternal and child welfare, Social Security Act, Children's Bureau, 1943"-----	13, 600
"Salaries and expenses, Women's Bureau, 1943"-----	15, 900
Total, Department of Labor-----	<u>353, 400</u>

POST OFFICE DEPARTMENT

(Out of the postal revenues)

For—

"Salaries, Office of the Postmaster General, 1943"	\$22, 800
"Salaries, Office of Budget and Administrative Planning, 1943"	330
"Salaries, Office of the First Assistant Postmaster General, 1943"	56, 400
"Salaries, Office of the Second Assistant Postmaster General, 1943"	44, 300
"Salaries, Office of the Third Assistant Postmaster General, 1943"	56, 870
"Salaries, Office of the Fourth Assistant Postmaster General, 1943"	9, 200
"Salaries, Office of the Solicitor for the Post Office Department, 1943"	3, 000
"Salaries, Office of the Chief Inspector, 1943"	20, 000
"Salaries, Office of the Purchasing Agent, 1943"	2, 200
"Salaries, Bureau of Accounts, 1943"	14, 200
"Post Office inspectors, salaries, 1943"	158, 000
"Post Office inspectors, clerks, division headquarters, 1943"	8, 300
"Compensation to postmasters, 1943"	5, 088, 200
"Compensation to assistant postmasters, 1943"	971, 900
"Clerks, first- and second-class post offices, 1943"	24, 329, 000
"Separating mails, 1943"	28, 600
"Unusual conditions at post offices, 1943"	82, 000
"Clerks, third-class post offices, 1943"	564, 000
"Miscellaneous items, first- and second-class post offices, 1943"	3, 900
"Village delivery service, 1943"	93, 100
"City delivery carriers, 1943"	14, 707, 000
"Special-delivery fees, 1943"	866, 000
"Railroad transportation and mail messenger service, 1943"	2, 100
"Railway Mail Service, salaries, 1943"	4, 968, 000
"Rural Delivery Service, 1943"	4, 544, 900
"Operating force for public buildings, Post Office Department, 1943"	3, 503, 000
"Vehicle service, 1943"	981, 000
Total, Post Office Department	61, 128, 300

DEPARTMENT OF STATE

For—

"Salaries, Department of State, 1943"	299, 400
"Passport agencies, Department of State, 1943"	4, 000
"Salaries, Foreign Service officers, 1943"	177, 000
"Salaries, Foreign Service clerks, 1943"	316, 400
"Miscellaneous salaries and allowances, Foreign Service, 1943"	38, 200
"Foreign Service, auxiliary (emergency), 1943"	127, 600
"International Boundary Commission, United States and Mexico, 1943"	21, 800
"Rio Grande Canalization, Department of State, 1943"	16, 200
"Salaries and expenses, International Joint Commission, United States and Great Britain, 1943"	1, 000
Total, Department of State	1, 001, 600

TREASURY DEPARTMENT

For—

"Salaries and expenses, foreign-owned property control, 1943"	146, 200
"Salaries, Division of Research and Statistics, Treasury Department, 1943"	13, 600
"Salaries, Office of General Counsel, Treasury Department, 1943"	6, 700
"Salaries, Division of Personnel, Treasury Department, 1943"	18, 300

TREASURY DEPARTMENT—Continued

For—Continued

"Salaries, office of chief clerk, Treasury Department, 1943"-----	\$22, 700
"Salaries, operating force, Treasury Department buildings, 1943"-----	73, 400
"Salaries and expenses, guard force, Treasury Department buildings, 1943"-----	71, 500
"Salaries and expenses, Bureau of Accounts, Treasury Department, 1943"-----	52, 300
"Salaries and expenses, Division of Disbursement, 1943"-----	232, 600
"Salaries and expenses, Bureau of the Public Debt, 1943"-----	311, 400
"Expenses of loans, act September 24, 1917, as amended and extended, 1943" (increase in limitation)-----	(913, 800)
"Salaries, Office of Treasurer of United States, 1943"-----	357, 300
"Salaries, Office of Treasurer of United States (Federal Reserve notes, reimbursable), 1943"-----	5, 200
"Collecting the revenue from customs, 1943"-----	1, 336, 200
"Salaries, Office of Comptroller of the Currency, 1943"-----	12, 600
"Collecting the internal revenue, 1943"-----	7, 398, 000
"Salaries and expenses, Bureau of Narcotics, 1943"-----	26, 500
"Suppressing counterfeiting and other crimes, 1943"-----	107, 000
"Salaries and expenses, Procurement Division, 1943"-----	11, 100
Total, Treasury Department-----	<u>10, 202, 600</u>

WAR DEPARTMENT

For—

"Cemeterial expenses, War Department, 1943"-----	56, 800
"Soldiers' Home, permanent fund (trust fund), 1943"-----	(44, 800)
"Sanitation, Canal Zone, Panama Canal, 1943"-----	146, 800
"Civil government, Panama Canal and Canal Zone, 1943"-----	111, 000
Total, War Department-----	<u>314, 600</u>

DISTRICT OF COLUMBIA

For—

"Executive office, salaries, District of Columbia, 1943"-----	1, 540
"Purchasing Division, salaries, District of Columbia, 1943"-----	620
"District buildings, salaries, District of Columbia, 1943"-----	27, 400
"Board of Tax Appeals, salaries, District of Columbia, 1943"-----	440
"Collector, salaries, District of Columbia, 1943"-----	3, 680
"Auditor, salaries, District of Columbia, 1943"-----	4, 200
"Corporation Counsel, salaries, District of Columbia, 1943"-----	100
"Alcoholic Beverage Control Board, District of Columbia, 1943"-----	130
"Coroner, salaries, District of Columbia, 1943"-----	1, 380
"Chief clerk, Engineer Department, salaries, District of Columbia, 1943"-----	1, 530
"Department of Insurance, salaries, District of Columbia, 1943"-----	470
"Commission on Mental Health, District of Columbia, 1943"-----	130
"Board of Indeterminate Sentence and Parole, District of Columbia, 1943"-----	110
"Office of Administrator of Rent Control, salaries and expenses, District of Columbia, 1943"-----	1, 570
"Register of Wills, salaries, District of Columbia, 1943"-----	710
"Recorder of Deeds, salaries, District of Columbia, 1943"-----	8, 500
"Motor vehicles, District of Columbia, 1943"-----	470
"Free Public Library, salaries, District of Columbia, 1943"-----	22, 600
"Collection and disposal of refuse, salaries, District of Columbia, 1943"-----	3, 180
"Electrical Department, salaries, District of Columbia, 1943"-----	7, 630
"Public schools, salaries, District of Columbia, 1943"-----	107, 700
"Metropolitan Police, salaries, District of Columbia, 1943"-----	10, 200
"Tuberculosis Sanatoria, salaries, District of Columbia, 1943"-----	28, 700
"Gallinger Municipal Hospital, salaries, District of Columbia, 1943"-----	30, 800

DISTRICT OF COLUMBIA—Continued

For—Continued.

"Division of Child Welfare, detention of children, District of Columbia, 1943"-----	1, 050
"Workhouse and reformatory, salaries, District of Columbia, 1943"-----	27, 600
"Industrial Home School for Colored Children, salaries, District of Columbia, 1943"-----	2, 600
"Industrial Home School, salaries, District of Columbia, 1943"-----	3, 660
"Municipal Lodging House, District of Columbia, 1943"-----	470
"Public parks, salaries, District of Columbia, 1943"-----	6, 400
"National Zoological Park, District of Columbia, 1943"-----	7, 690
Total, District of Columbia, exclusive of highway and water funds-----	313, 260

HIGHWAY FUND, GASOLINE TAX, AND MOTOR VEHICLE FEES

For—

"Trees and parking, salaries, highway fund, District of Columbia, 1943" to be paid wholly out of the special fund created by the act entitled "An act to provide a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes," approved April 23, 1924 (43 Stat. 106), and the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937-----	740
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WATER SERVICE

For—

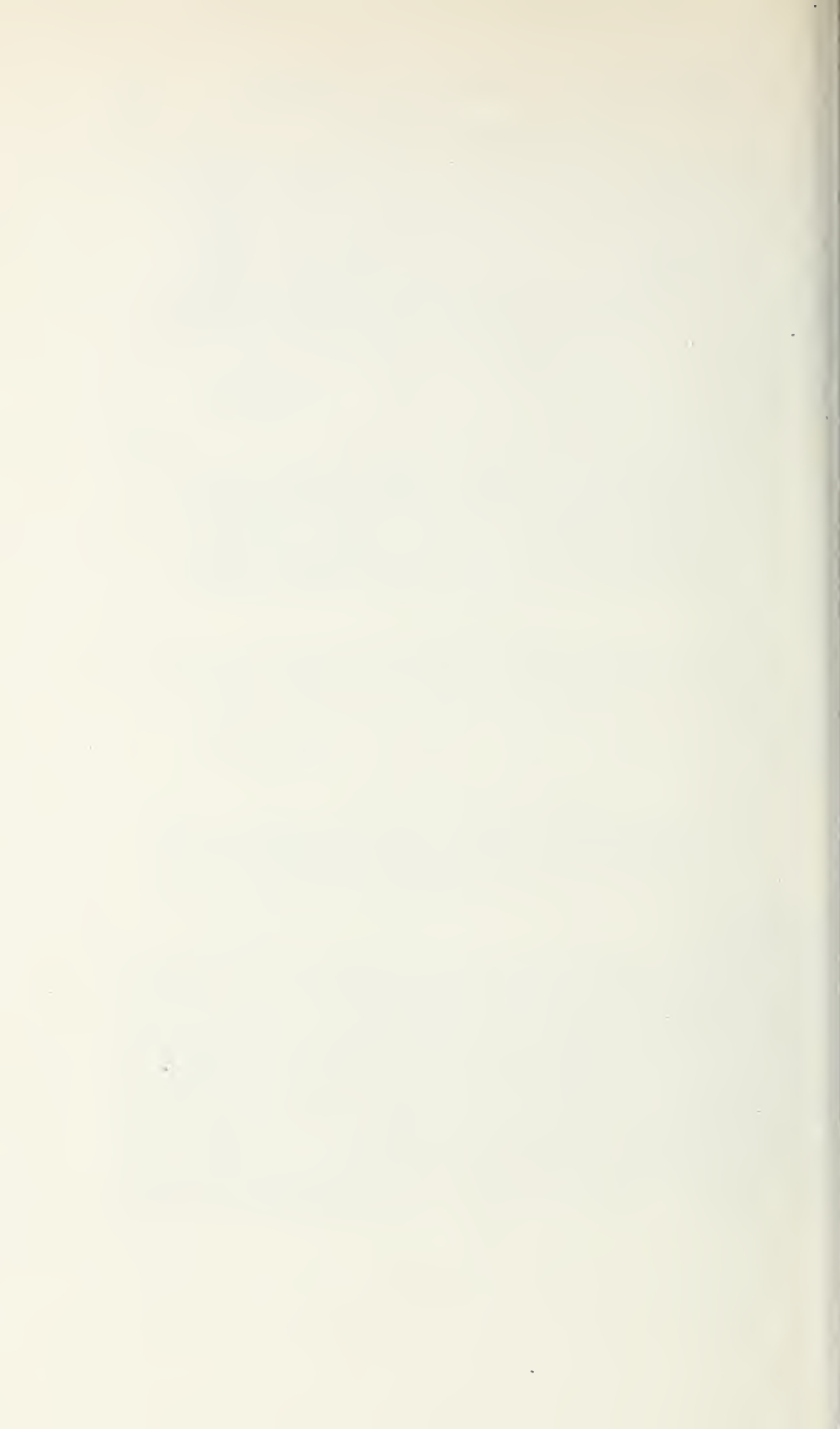
"General expenses, Washington Aqueduct, District of Columbia, 1943" to be paid wholly out of the revenues of the Water Department of the District of Columbia-----	49, 800
Total, District of Columbia, including highway and water funds-----	363, 800

DIVISION OF EXPENSES

The foregoing sums for the District of Columbia, unless otherwise specifically provided, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia Appropriation Act, 1943.

Grand total----- 122, 050, 900

SEC. 2. The restrictions contained in appropriations or affecting appropriations or other funds, available during the fiscal year 1943, limiting the amounts which may be expended for personal services or for other purposes, are hereby waived to the extent necessary to meet the increases in compensation authorized by the act of August 1, 1942 (Public Law 694), amending section 13 of the Classification Act of 1923, the act of December 22, 1942 (Public Law 821), authorizing the payment of overtime compensation to civilian employees in or under the United States Government, the act of April 9, 1943 (Public Law 25), authorizing additional compensation for employees in the Postal Service, and by other legislation enacted during and applicable to the fiscal year 1943 authorizing overtime compensation for civilian employees of the Government: *Provided*, That the head of any department, establishment, or agency is hereby authorized to allocate from the sum herein appropriated under any appropriation title administered by him to any subappropriation under such title such amount as may be necessary for the purposes of this section.



[PUBLIC LAW 49—78TH CONGRESS]

[CHAPTER 93—1ST SESSION]

[H. R. 1860]

AN ACT

To provide for the payment of overtime compensation to Government employees, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall apply to all civilian officers and employees (including officers and employees whose wages are fixed on a monthly or yearly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose, except those in or under the Government Printing Office or the Tennessee Valley Authority) in or under the United States Government, including Government-owned or controlled corporations, and to those employees of the District of Columbia municipal government who occupy positions subject to the Classification Act of 1923, as amended, except that this Act shall not apply to (a) elected officials; (b) judges; (c) heads of departments, independent establishments, and agencies; (d) officers and employees in the field service of the Post Office Department; (e) employees whose wages are fixed on a daily or hourly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose; (f) employees outside the continental limits of the United States, including Alaska, who are paid in accordance with local prevailing native wage rates for the area in which employed; (g) officers and employees of the Inland Waterways Corporation; and (h) individuals to whom the provisions of section 1 (a) of the Act entitled "An Act to amend and clarify certain provisions of law relating to functions of the War Shipping Administration, and for other purposes", approved March 24, 1943 (Public Law Numbered 17, Seventy-eighth Congress), are applicable. As used in this section the term "elected officials" shall not include officers elected by the Senate or House of Representatives who are not members of either body.

SEC. 2. Officers and employees to whom this Act applies and who are not entitled to additional compensation under section 3 shall be paid overtime compensation computed on the same basis as the overtime compensation which was authorized to be paid under Public Law Numbered 821, Seventy-seventh Congress: *Provided*, That such overtime compensation shall be paid only on the portion of an officer's or employee's basic rate of compensation not in excess of \$2,900 per annum: *Provided further*, That such overtime compensation shall be paid on such portion of an officer's or employee's basic rate of compensation notwithstanding the fact that such payment will cause his aggregate compensation to exceed a rate of \$5,000 per annum: *And provided further*, That in lieu of overtime compensation for work in

excess of forty-eight hours in any administrative workweek, the heads of departments, establishments, and agencies may in their discretion grant per annum employees compensatory time off from duty.

SEC. 3. (a) Except as provided in subsection (c), officers and employees to whom this Act applies and whose hours of duty are intermittent or irregular, officers and employees in or under the legislative and judicial branches (except those in the Library of Congress, or the Botanic Garden, and per annum employees in or under the Office of the Architect of the Capitol who are regularly required to work not less than forty-eight hours per week) to whom this Act applies, and, subject to the approval of the Civil Service Commission, officers and employees whose hours of work are governed by those of private establishments which they serve and for whom on this account overtime work schedules are not feasible, shall be paid, in lieu of the overtime compensation authorized under section 2 of this Act, additional compensation at the rate of (1) \$300 per annum if their earned basic compensation is at a rate of less than \$2,000 per annum, or (2) 15 per centum of so much of their earned basic compensation as is not in excess of a rate of \$2,900 per annum if their earned basic compensation is at a rate of \$2,000 per annum or more.

(b) Any officer or employee to whom this Act applies and who is entitled to no additional compensation under subsection (a) or subsection (c) for a pay period, shall be paid for such pay period, in lieu of overtime compensation under section 2, additional compensation at the rate of \$300 per annum, unless his overtime compensation under section 2 for such pay period is at least equal to such additional compensation.

(c) Any officer or employee to whom this Act applies and whose hours of duty are less than full time, or whose compensation is based upon other than a time period basis shall be paid, in lieu of overtime compensation or additional compensation under the foregoing provisions of this Act, additional compensation at a rate of 15 per centum of so much of their earned basic compensation as is not in excess of a rate of \$2,900 per annum.

(d) In no case shall any officer or employee be paid additional compensation under this section for any pay period amounting to more than 25 per centum of his earned basic compensation for such pay period.

SEC. 4. The provisions of section 3 of this Act shall apply to the official reporters of proceedings and debates of the Senate and their employees.

SEC. 5. The Act approved February 10, 1942 (Public Law Numbered 450, Seventy-seventh Congress), and section 4 of the Act approved May 2, 1941 (Public Law Numbered 46, Seventy-seventh Congress), as amended, are hereby repealed.

SEC. 6. The provisions of the Saturday half-holiday law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec. 26 (a)), are hereby suspended for the period during which this Act is in effect.

SEC. 7. The provisions of this Act shall not operate to prevent payment for overtime services in accordance with any of the following statutes: Act of February 13, 1911, as amended (U. S. C., title 19, secs. 261 and 267); Act of July 24, 1919 (41 Stat. 241; U. S. C., title 7, sec. 394); Act of June 17, 1930, as amended (U. S. C., title 19,

secs. 1450, 1451, and 1452); Act of March 2, 1931 (46 Stat. 1467; U. S. C., title 8, secs. 109a and 109b); Act of May 27, 1936, as amended (52 Stat. 345; U. S. C., title 46, sec. 382b); Act of March 23, 1941 (Public Law Numbered 20, Seventy-seventh Congress): *Provided*, That the overtime services covered by such payment shall not also form a basis for overtime compensation under this Act.

SEC. 8. Whenever the Civil Service Commission shall find that within the same Government organization and at the same location gross inequities exist, to such extent as to interfere with the prosecution of the war, between basic per annum rates of pay fixed for any class of positions under the Classification Act of 1923, as amended, and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is hereby empowered, in order to correct or reduce such inequities, to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by the Classification Act of 1923, as amended, for the grade to which such class of positions is allocated under such Act.

SEC. 9. The Civil Service Commission is authorized and directed to promulgate such rules and regulations as may be necessary and proper for the purpose of coordinating and supervising the administration of the provisions of the foregoing sections of this Act insofar as such provisions affect employees in or under the executive branch of the Government.

SEC. 10. Representatives, Delegates, the Resident Commissioner from Puerto Rico, and chairmen of standing committees may rearrange or change the schedule of salaries and the number of employees in their respective offices or committees: *Provided*, That such changes shall not increase the aggregate of the salaries provided for such offices or committees by law: *Provided further*, That no salary shall be fixed hereunder at a rate in excess of \$4,500 per annum and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than \$4,500: *Provided further*, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the tenth day of the month in which such changes are to become effective, shall certify in writing such changes or rearrangements to the disbursing office which shall thereafter pay such employees in accord with such changed schedule.

SEC. 11. The heads of departments and agencies in the executive branch, whose employees are affected by the provisions of this Act, shall present to the Director of the Bureau of the Budget and to the Congress such information as the Director shall from time to time, but not less frequently than the first day of each quarter, require for the purpose of determining the number of employees required for the proper and efficient exercise of the functions of their respective departments and agencies. The Director shall, from time to time, but not less frequently than the thirtieth day after the beginning of each quarter, determine the number of employees so required, and any personnel of any such department or agency in excess thereof shall be released at such times as the Director shall order. Such determination shall be reported to the Congress each quarter. Sections 2 and 3 of this Act shall cease to be applicable to the employees of such department or agency unless the head thereof shall certify

within thirty days from the effective date so prescribed by the Director that the number of employees of his agency does not exceed the number determined by the Director to be required for the proper and efficient exercise of its functions. Any determinations and directions made by the Director under the authority of Public Law 821, Seventy-seventh Congress, are hereby continued in effect until modified by him. The Civil Service Commission is authorized to transfer to other departments and agencies any employees released pursuant to this section whose services are needed in and can be effectively utilized by such other departments or agencies, and the services of these employees are to be utilized by the departments and agencies before additional employees are recruited.

SEC. 12. Amounts received as overtime compensation or additional compensation under this Act shall not be considered in determining the amount of a person's annual income or annual rate of compensation for the purposes of paragraph II (a) of part III of Veterans Regulation Numbered 1 (a), as amended, or section 212 of title II of the Act entitled "An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes", approved June 30, 1932, as amended.

SEC. 13. This Act shall not apply to civilian employees of the Transportation Corps of the Army of the United States on vessels operated by the United States or to vessel employees of the Coast and Geodetic Survey, and such employees may be compensated in accordance with the wage practices of the maritime industry.

SEC. 14. This Act shall take effect on May 1, 1943, and shall terminate on June 30, 1945, or such earlier date as the Congress by concurrent resolution may prescribe.

SEC. 15. This Act may be cited as the "War Overtime Pay Act of 1943".

Approved May 7, 1943.